

HOUSING ELEMENT & FAIR SHARE PLAN

City of South Amboy
Middlesex County, New Jersey

As adopted
December 22, 2008

Prepared By:



Heyer, Gruel & Associates
63 Church Street, 2nd Floor
New Brunswick, NJ 08901
(732) 828-2200

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FAIR SHARE PLAN

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December 22, 2008

The original of this report was signed and
Sealed in accordance with N.J.S.A. 45:14A-12.

A handwritten signature in dark ink, reading "Charles W. Latini". The signature is fluid and cursive, with a large initial "C" and a stylized "L".

Charles Latini, PP/AICP Lic#5721

Heyer, Gruel & Associates

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INTRODUCTION

In the case of Southern Burlington County NAACP v. the Township of Mount Laurel, (commonly known as Mount Laurel I), the New Jersey Supreme Court established the doctrine that developing municipalities in New Jersey have a constitutional obligation to provide a realistic opportunity for the construction of low and moderate income housing in their communities. In its Mount Laurel decision, decided on January 20, 1983 (Mount Laurel II), the Supreme Court expanded the Mount Laurel doctrine by stating that this constitutional responsibility extended to all municipalities in New Jersey. The Court also established various remedies, including the “builder remedy” or court-imposed zoning, to ensure that municipalities actually addressed this obligation.

In response to the Mount Laurel II decision, the New Jersey Legislature adopted the Fair Housing Act in 1985 (Chapter 222, Laws Of New Jersey, 1985). The Fair Housing Act established a Council on Affordable Housing (COAH) as an administrative alternative to the courts. COAH was also given the responsibility of establishing various housing regions in the state, determining regional and municipal fair share affordable housing obligations and adopting regulations establishing the guidelines and approaches that municipalities may use in addressing their affordable housing need.

Under COAH's regulations, low income households are defined as those with incomes no greater than 50 percent of the median household income, adjusted for household size, of the housing region in which the municipality is located, and moderate-income households are those with incomes no greater than 80 percent and no less than 50 percent of the median household income, adjusted for household size, of the housing region. For the City of South Amboy, the housing region is defined by COAH as Region 3 and is comprised of Hunterdon, Middlesex and Somerset Counties.

Pursuant to both the Fair Housing Act and the Municipal Land Use Law (MLUL), municipalities in New Jersey are required to include a housing element in their master plans. The principal purpose of the housing element is to provide for methods of achieving the goal of access to affordable housing to meet the municipality's low and moderate income housing needs. The statutory required contents of the housing element are:

- a. An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to

low and moderate income households and substandard housing capable of being rehabilitated;

- b. A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing, for the ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;
- c. An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
- d. An analysis of the existing and probable future employment characteristics of the municipality;
- e. A determination of the municipality's present and prospective fair share for low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low and moderate income housing; and
- f. A consideration of the lands that are most appropriate for construction of low and moderate income housing and of the existing structures most appropriate for conversion to, or rehabilitation for low and moderate income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing.

COAH Third Round Methodology- Growth Share

Unlike the previous two rounds, the Third Round methodology determines a municipality's affordable housing need based on the growth of the municipality. The need for affordable housing in a municipality is calculated through the sum of the following:

- Deficient housing units occupied by low and moderate income households which is referred to as rehabilitation share;
- Remaining Prior Round (1987 – 1999) Obligation assigned to a municipality by the Council or the court for the period 1987 through 1999; and
- The share of the affordable housing need generated by a municipality's actual growth (2004 – 2018) based upon the number of new housing units constructed and the number of new jobs created as a result of non-residential development.

The rehabilitation share for affordable housing is the number of existing housing units as of April 1, 2000 that are both deficient and occupied by households of low or moderate income and is

calculated by COAH. The Remaining Prior Round (1987 – 1999) Obligations from the first and second fair share rounds have been recalculated to include data from the 2000 Census and are also provided by COAH.

With the Third Round Rules, the Council has implemented a growth share approach to affordable housing, thereby linking the actual production of affordable housing with municipal development and growth, based upon the number of new housing units constructed and the number of new jobs created as a result of non-residential development.

When developing a Housing Element and Fair Share Plan to provide affordable housing between 2004 and 2018, municipalities may rely on the COAH Growth Projections as the baseline for potential growth over the 2004-2018 period. However, the official growth share obligation accrued by each municipality as calculated by 2018 will be based on actual residential and non-residential growth, not COAH projections.

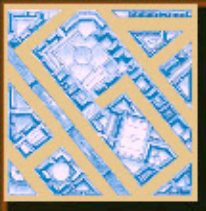
Projected growth from COAH is converted into the affordable housing obligation, which the municipality must plan for by applying the following ratios:

- For every five residential units constructed, the municipality shall be obligated to include one affordable unit (i.e. 1 affordable unit in every 5 residential units for inclusionary development or 1 affordable unit for every four market rate units).
- For every 16 jobs created, the municipality shall be obligated provide one affordable unit. (i.e. 1 affordable unit for every 16 jobs created).

The projected growth share obligation will be converted into an actual growth share obligation when the ratios above are applied to market-rate units and newly constructed and expanded non-residential developments receiving permanent certificates of occupancy.

Municipal Summary

The City of South Amboy occupies approximately 1.6 square miles of land area located in the eastern portion of central Middlesex County. The City is bordered by Perth Amboy to the north across the Raritan Bay, and is wrapped to the south and west by the Borough of Sayreville. The City is an older suburb that is primarily built-out, although there is potential for some growth in existing Redevelopment Areas.




City of South Amboy

City of South Amboy Master Plan
Middlesex County, NJ
Aerial Photo Map



Legend

 Municipal Boundaries

The population of South Amboy has seen a small increase from 7,863 in 1990 to 7,913 in 2000. The 2000 median age in South Amboy was 36.7 years, which was slightly older than the Middlesex County median age of 35.7 years. The average household size has decreased from 2.31 persons in 1990 to 2.15 persons in 2000.

The housing stock of the City is predominantly single-family dwelling units both detached and attached. The median year for housing structures built was 1943. The City is not a job intensive area as compared with the other municipalities within the County and region and employment is focused in two light industrial areas within the City. According to the guidelines established by COAH, the City of South Amboy is located in the affordable housing Region 3, a region that consists of Hunterdon, Middlesex and Somerset Counties.

As determined by the Third Round regulations, the City of South Amboy has a rehabilitation obligation of 28 units and a Prior Round (1987-1999) Obligation of 0 units, a “growth share” obligation of 72 units. In total, South Amboy has a Fair Share Obligation of 100 units. The City proposes to address its 100-unit obligation through the following:

- Prior cycle credits (McCarthy Towers): 72 units
- Continued participation in the Middlesex County Housing Preservation Program (28 units)
- Adoption of a Development Fee Ordinance
- Implementation of Redeveloper Agreements with affordable housing provisions

I. DEMOGRAPHIC CHARACTERISTICS

Population Characteristics

The 2000 population of South Amboy was 7,913, which was an increase of 50 people from the 1990 population. The population trends experienced in South Amboy, Middlesex County and the State of New Jersey from 1930 through 2000 are shown below. South Amboy's population increased through the fifties and sixties, peaking in 1970 and then decreased through 1990. Since 1990, the population has slightly increased. Middlesex County and the State of New Jersey have both seen steady growth since the 1930's, with large population swells occurring during the sixties and seventies.

Population Trends, 1930 to 2000									
Year	South Amboy			Middlesex County			New Jersey		
	Population	Change		Population	Change		Population	Change	
		Number	Percent		Number	Percent		Number	Percent
1930	8,476	-	-	212,208	-	-	4,041,334	-	-
1940	7,802	-674	-8.0	217,077	4,869	2.2	4,160,165	118,831	2.9
1950	8,422	620	7.9	264,872	47,795	22	4,835,329	675,164	16.2
1960	8,422	0	0.0	433,856	168,984	63.8	6,066,782	1,231,453	20.3
1970	9,338	916	10.9	583,813	104,957	17.9	7,171,112	1,104,330	18.2
1980	8,322	-1,016	-10.9	595,893	12,080	2	7,365,011	463,899	6.5
1990	7,863	-459	-5.5	671,780	75,887	12.7	7,730,188	365,177	5
2000	7,913	50	0.6	750,162	78,382	11.6	8,414,350	684,162	8.9

Population Composition by Age

The largest increases in age cohorts from 1990 to 2000 occurred in the 5 to 14 and 45 to 54 age groups, which experienced increases of 34% and 44%, respectively. The largest declines were seen in the under 5 (-27%) and 25 to 34 (-25%) age groups.

Population by Age, 1990 and 2000, South Amboy						
Population	1990		2000		Change, 1990 to 2000	
	Number	Percent	Number	Percent	Number	Percent
Under 5	647	8	474	6	-173	-27
5 to 14	855	11	1,142	14	287	34
15 to 24	1,019	13	918	12	-101	-10
25 to 34	1,530	19	1,142	14	-388	-25
35 to 44	1,136	14	1,465	19	329	29
45 to 54	753	10	1,082	14	329	44
55 to 64	687	9	617	8	-70	-10
65 and over	1,236	16	1,073	14	-163	-13
Total	7,863	100	7,913	100	50	1

Population by Age, 1990 and 2000, Middlesex County						
	1990		2000		Change, 1990 to 2000	
Population	Number	Percent	Number	Percent	Number	Percent
Under 5	44,943	6.7	49,390	6.6	4,447	9.9
5 to 14	76,292	11.4	100,140	13.3	23,848	31.3
15 to 24	104,092	15.5	99,392	13.2	-4,700	-4.5
25 to 34	131,557	19.6	117,105	15.6	-14,452	-11.0
35 to 44	104,231	15.5	128,839	17.1	24,608	23.6
45 to 54	70,643	10.5	100,323	13.4	29,680	42.0
55 to 64	61,205	9.1	62,383	8.3	1,178	1.9
65 and over	78,817	11.7	92,590	12.3	13,773	17.5
Total	671,780	100	750,162	100	78,382	11.7

The County's overall trends differed slightly from South Amboy, with increases in the 45 to 54 and 5 to 14 age cohorts, and decreases in the 25 to 34 and 15 to 24 age cohorts. The median age of South Amboy in 2000 was 36.7 years old. Analysis of age group characteristics provides insight in the actual changes in population. This comparison is helpful in determining impacts these changes have on housing needs and services for the municipality and the County overall.

Households

A household is defined as one or more persons, whether related or not, living together in a dwelling unit. In 2000, there were a total of 2,979 households in South Amboy. The average number of persons per household for the City in 2000 was 2.64, slightly lower than the County's average of 2.74. Both the City and the County had the greatest number of two-person households (28% and 30.2% respectively). The County and the City had similar proportions of persons per household overall.

Household Size- Occupied Housing Units, 2000				
South Amboy and Middlesex County				
	South Amboy	Percent	County	Percent
Total	2,979	100	265,815	100
1-person household	773	26	59,544	22.4
2-person household	828	28	80,233	30.2
3-person household	516	17	48,916	18.4
4-person household	502	17	45,002	16.9
5-person household	246	8	20,048	7.5
6-person household	95	3	7,285	2.7
7-or-more-person household	19	1	4,787	1.8
Average Household Size	2.64		2.74	

Family households are defined as two or more persons, living in the same household related by blood, marriage or adoption. The largest number of households in the City was family-households comprising 69.1 percent with an average family size of 3.22. Furthermore, the majority of the family households were married-couple families (51.3%) with 26.3 percent having no children under the age of 18. Approximately 26 percent of households were one-person households with 14.2 percent being female and 11.7 percent being male.

In providing more detail than previous years, the 2000 Census included the sub-groups of non-traditional households ("Other" family) and of non-family households. Non-family households are defined as households that consist of a householder living alone or where the householder shares the home exclusively with people whom he/she is not related. These households only comprised 5 percent of the City while "Other" family households were 35.6 percent with the largest percentage being female-headed households.

Household Size and Type, 2000		
South Amboy		
	Total	Percent
Total	2,979	100
1-person household:		
Male householder	349	11.7
Female householder	424	14.2
2 or more person household:		
Family households:	2,057	69.1
Married-couple family:	1,528	51.3
With own children under 18 years	746	25.0
No own children under 18 years	782	26.3
Other family:		
Male householder, no wife present:	98	3.3
With own children under 18 years	29	1.0
No own children under 18 years	69	2.3
Female householder, no husband present:	431	14.5
With own children under 18 years	182	6.1
No own children under 18 years	249	8.4
Non-family households:		
Male householder	105	3.5
Female householder	44	1.5
Average Family Size	3.22	

Income

As measured in 1999, South Amboy had a lower median income than the County and the State. The median income in South Amboy was \$50,529, approximately \$10,917 less than the County and \$4,617 less than the State's median income. Approximately 38 percent of the households within the City had a household income within the range of \$35,000 to \$75,000 with slightly more than half of that percentage within the range of \$50,000 to \$75,000.

Per Capita and Household Income 1999		
South Amboy, Middlesex County, New Jersey		
	1999 Per Capita (\$)	1999 Median Household (\$)
South Amboy	23,598	50,529
Middlesex County	26,535	61,446
New Jersey	27,006	55,146

Household Income in 1999				
South Amboy and Middlesex County				
	South Amboy		Middlesex County	
	Number	Percent	Number	Percent
Total households	2,979	100	265,898	100
Less than \$10,000	211	7	13,102	4.9
\$10,000 to \$14,999	174	6	9,965	3.7
\$15,000 to \$24,999	296	10	20,603	7.7
\$25,000 to \$34,999	347	12	24,398	9.2
\$35,000 to \$49,999	438	15	37,097	14
\$50,000 to \$74,999	695	23	57,308	21.6
\$75,000 to \$99,999	433	15	42,599	16
\$100,000 to \$149,999	273	9	40,544	15.2
\$150,000 to \$199,999	45	2	11,823	4.4
\$200,000 or more	67	2	8,459	3.2
Median household income (\$)	\$50,529		\$61,446	

Poverty Status

Of the 7,894 persons in South Amboy in 1999, 582 (7.4%) lived in poverty. The number of persons in poverty was mainly split between those under 18 and 18 to 64 (34.5% and 54.5% respectively). Only 64 persons or 11 percent of those living in poverty were over the age of 65.

Poverty Status 1999 South Amboy and Middlesex County				
	South Amboy		Middlesex County	
	Number	Percent	Number	Percent
Total persons	7,894	100	731,461	100
Total persons below poverty level	582	7.4	48,205	6.6
Under 18	201	34.5	13,268	27.5
18 to 65	317	54.5	29,603	61.4
Over 65	64	11.0	5,334	11.1

Household Costs

The tables below show the expenditures for housing for those who own and rent in South Amboy. Approximately 43 percent of renters spend 30 percent or more of their household income and 24.7 percent of owners spend 30 percent or more of their household income on housing. The general affordability standard used is that no more than 30 percent of gross income should be allocated for housing costs.

Selected Monthly Owner Costs As A Percentage Of Household Income in South Amboy, 1999		
	Number	Percent
Less than 15 percent	461	28.3
15 to 19 percent	299	18.4
20 to 24 percent	239	14.7
25 to 29 percent	221	13.6
30 to 34 percent	95	5.8
35 percent or more	307	18.9
Not computed	6	0.4

Gross Rent As A Percentage Of Household Income South Amboy, 1999		
	Number	Percent
Less than 15 percent	135	12.7
15 to 19 percent	168	15.8
20 to 24 percent	138	13.0
25 to 29 percent	144	13.6
30 to 34 percent	88	8.3
35 percent or more	368	34.7
Not computed	20	1.9

II. EXISTING HOUSING CONDITIONS

Housing Data

According to the 2000 Census, South Amboy had a total of 3,110 housing units. Of the units that were occupied (2,967), 1,906 or 64.2 percent were owner occupied while 1,061 or 35.8 percent were renters. The largest numbers of housing structures (1,469 or 47.2%) were built 1939 or earlier, with the second largest numbers between 1950 and 1959. The median year of structures built in South Amboy is 1943.

Housing Data, 2000 South Amboy		
	Total	Percent
Housing Units		
Total- Occupied Units	2,967	95.4
Tenure		
Owner occupied	1,906	64.2
Renter occupied	1,061	35.8
Year Structure Built		
Total Units	3,110	100
Built 1995 to March 2000	41	1.3
Built 1990 to 1994	27	0.9
Built 1980 to 1989	154	5.0
Built 1970 to 1979	129	4.1
Built 1960 to 1969	402	12.9
Built 1950 to 1959	618	19.9
Built 1940 to 1949	270	8.7
Built 1939 or earlier	1,469	47.2
Median year structure built	1943	

Housing Type and Size

A majority of the housing stock in South Amboy is single-family housing. In 2000, there were 1,814 single-family detached homes representing 58.3 percent of the housing stock and 183 single-family attached homes representing 5.9 percent. All other types of housing represent approximately 35.9 percent of the housing stock within the City.

The median number of rooms within housing structures in the City was 5.8 with almost half of structures having either five or six rooms. Approximately 28 percent of the structures had seven or more rooms while approximately 25.8 percent had four rooms or less.

Housing Type and Size, 2000		
South Amboy		
Units in Structure	Total	Percent
Total	3,110	100
1, detached	1,814	58.3
1, attached	183	5.9
2	605	19.5
3 or 4	233	7.5
5 to 9	98	3.2
10 to 19	64	2.1
20 or more	113	3.6
Mobile home	0	0.0
Boat, RV, van, etc.	0	0.0
Rooms		
1 room	6	0.2
2 rooms	44	1.4
3 rooms	309	9.9
4 rooms	445	14.3
5 rooms	513	16.5
6 rooms	920	29.6
7 rooms	446	14.3
8 rooms	230	7.4
9 or more rooms	197	6.3
Median number of rooms	5.8	

Occupancy

According to the 2000 Census, out of the 3,110 units in South Amboy, 2,967 or 95.4 percent were occupied while 143 or 4.6 percent were vacant. Of those units that were vacant, 24.5 percent were for sale units and 26.6 percent were for rent units. Units that are considered for seasonal, recreational or occasional use represented 16.8 percent of vacant units. Units classified as "other vacant" units made up the largest proportion of vacant units at 32.2 percent.

Occupancy Status, 2000		
South Amboy		
	Total	Percent
Total	3,110	100
Occupied	2,967	95.4
Vacant	143	4.6
Vacancy Status		
Total	143	100
For rent	38	26.6

For sale only	35	24.5
Rented or sold, not occupied	0	0.0
For seasonal, recreational, or occasional use	24	16.8
For migrant workers	0	0.0
Other vacant	46	32.2

Housing Values and Contract Rents

Housing values for owner-occupied housing units in 2000 are listed in the table below. Nearly half of the housing values were \$100,000 to \$149,999. The next largest groups were homes valued at \$150,000 to \$199,999 (28.0%) and \$50,000 to \$99,999 (11.4%). The median value in South Amboy was \$140,500 and, of the owner-occupied units, 607 have no mortgage.

Value for all Owner- Occupied Housing Units South Amboy		
	Total	Percent
Total	1,906	100
Less than \$50,000	22	1.2
\$50,000- \$99,999	217	11.4
\$100,000- \$149,999	932	48.9
\$150,000- \$199,999	534	28.0
\$200,000 to \$299,999	173	9.1
\$300,000 to \$499,999	6	0.3
\$500,000 +	22	1.2
Median Value (\$)	\$140,500	
Mortgage Status		
Housing units with a mortgage, contract to purchase, or similar debt:	1,021	
With either a second mortgage or home equity loan, but not both:	279	
Second mortgage only	102	
Home equity loan only	177	
Both second mortgage and home equity loan	0	
No second mortgage and no home equity loan	742	
Housing units without a mortgage	607	

The median contract rent in South Amboy in 2000 was \$677. Approximately 64% of the renters paid between \$500 and \$899 for rent. Approximately 45 percent paid more than the median contract rent for the City.

Contract Rent South Amboy		
	Total	Percent
Total renter occupied units	1,061	100
Less than \$200	86	8.1
\$200- \$499	137	12.9
\$500-\$699	364	34.3
\$700-\$899	316	29.8
\$900 to \$999	111	10.5
\$1,000 to \$1,999	41	3.9
\$2,000 or more	0	0.0
No Cash Rent	6	0.6
Median Contract Rent (\$)	\$677	

Housing Conditions

The table below details the condition of housing within South Amboy based on heating fuel, plumbing facilities, kitchen facilities, telephone service and overcrowding. These factors are utilized in determining housing deficiency. According to the 2000 Census, South Amboy had 19 units lacking in kitchen facilities and 15 lacking in plumbing facilities. Furthermore, 43 units (1.4%), had no telephone service. Both owner-occupied units and renter-occupied units had an overcrowding rate of less than one percent.

Housing Conditions 2000		
South Amboy		
	Total	Percent
House Heating Fuel- Occupied housing units		
Total	2,967	100
Utility gas	2,086	70.3%
Bottled, tank, or LP gas	7	0.2%
Electricity	147	5.0%
Fuel oil, kerosene, etc.	713	24.0%
Coal or coke	0	0.0%
Wood	0	0.0%
Solar energy	0	0.0%
Other fuel	5	0.2%
No fuel used	9	0.3%
Occupants per Room-Occupied housing units		
Total	2,967	100
Owner Occupants per Room (Over 1.0)	13	0.4
Renter Occupants per Room (Over 1.0)	22	0.7
Facilities- Total units		
Total	3,110	100
Lacking complete plumbing facilities	15	0.5
Lacking complete kitchen facilities	19	0.6
Telephone Service- Occupied housing units		
Total	2,967	100
No service	43	1.4

III. EMPLOYMENT DATA

Employment Trends

The following tables detail changes in employment from 1997 to 2006 for South Amboy, Middlesex County and New Jersey. The number of those who are employed has remained relatively stable overall. In recent years, South Amboy has seen its unemployment rate closely resemble that of Middlesex County and State of New Jersey.

Employment and Resident Labor Force, 1997 - 2006, South Amboy				
	Resident Labor Force	Resident Employment	Unemployment	Unemployment Rate
1997	4,530	4,432	98	2.2
1998	4,493	4,406	87	1.9
1999	4,604	4,515	89	1.9
2000	4,067	3,945	123	3.0
2001	4,110	3,959	150	3.7
2002	4,182	3,969	213	5.1
2003	4,175	3,965	210	5.0
2004	4,187	4,013	174	4.2
2005	4,223	4,028	194	4.6
2006	4,287	4,092	195	4.6

Employment and Resident Labor Force, 1997 - 2006, Middlesex County				
	Resident Labor Force	Resident Employment	Unemployment	Unemployment Rate
1997	410,818	393,639	17,179	4.2
1998	406,462	391,296	15,166	3.7
1999	416,550	401,006	15,544	3.7
2000	401,460	388,081	13,379	3.3
2001	405,919	389,525	16,394	4.0
2002	413,685	390,439	23,246	5.6
2003	412,943	390,100	22,843	5.5
2004	413,814	394,840	18,974	4.6
2005	420,651	402,901	17,750	4.2
2006	427,702	409,243	18,460	4.3

Employment and Resident Labor Force, 1997 - 2007, New Jersey				
	Resident Labor Force	Resident Employment	Unemployment	Unemployment Rate
1997	4,257,400	4,031,000	226,400	5.3
1998	4,242,400	4,047,100	195,300	4.6
1999	4,284,600	4,092,700	191,800	4.5

2000	4,286,700	4,129,100	157,600	3.7
2001	4,295,800	4,111,500	184,200	4.3
2002	4,371,600	4,117,600	253,900	5.8
2003	4,371,000	4,115,100	255,900	5.9
2004	4,388,000	4,176,200	211,800	4.8
2005	4,431,600	4,232,800	198,700	4.5
2006	4,492,800	4,283,600	209,200	4.7
2007	4,466,300	4,276,600	189,700	4.2

Class of Worker and Occupation

The majority of workers in 2000 living in South Amboy were a part of the private wage and salary worker group (79.9%). The second largest category was government workers (14.9%) followed by those who were self-employed (5.1%). Those that worked within the private wage field were concentrated in sales and office occupations and management/ professional positions. These two categories of worker equaled approximately 56.4 percent of employed residents within South Amboy (33.7% and 22.7% respectively).

Class of Worker, 2000 South Amboy		
	Number	Percent
Total	3,730	100
Private wage and salary worker	2,981	79.9
Government worker	554	14.9
Self-employed worker	190	5.1
Unpaid family worker	5	0.1

Occupation, 2000 South Amboy		
	Number	Percent
Employed civilian population 16 years and over	3,730	100
Management, professional, and related occupations	847	22.7
Service occupations	593	15.9
Sales and office occupations	1,258	33.7
Farming, fishing, and forestry occupations	0	0.0
Construction, extraction, and maintenance occupations	422	11.3
Production, transportation, and material moving occupations	610	16.4

Commuting to Work

According to the 2000 Census, the mean travel time to work for those who lived in South Amboy was approximately 29.2 minutes. Twenty percent had to travel 45 minutes or more to get to work while 58.9 percent only had to travel less than 25 minutes. The largest proportion of workers

commuted by automobile (87.9%) and the majority (76.1%) of them drove alone. Moreover, only 5.9 percent took public transportation to get to work.

Travel Time To Work, 2000		
South Amboy		
	Number	Percent
Workers who did not work at home	3,612	100
Less than 10 minutes	581	16.1
10 to 14 minutes	345	9.6
15 to 19 minutes	471	13.0
20 to 24 minutes	519	14.4
25 to 29 minutes	209	5.8
30 to 34 minutes	492	13.6
35 to 44 minutes	269	7.4
45 to 59 minutes	329	9.1
60 to 89 minutes	241	6.7
90 or more minutes	156	4.3
Mean travel time to work (minutes)	29.2	

Means Of Commute, 2000		
South Amboy		
	Number	Percent
Workers 16 years and over	3,664	100
Car, truck, or van		
Drove alone	2,789	76.1
Carpooled	431	11.8
Public transportation	215	5.9
Walked	154	4.2
Other means	23	0.6
Worked at home	52	1.4

Covered Employment

There is currently very limited information available on actual job opportunities within municipalities. The Department of Labor collects information on covered employment, which is employment and wage data for employers covered by unemployment insurance. The tables below provide a snapshot of private employees located within South Amboy. The first table reflects the number of jobs covered by private unemployment insurance from 1993 through 2006. The second table reflects the disbursement of jobs by industry and salaries in 2003.

Private Wage Covered Employment* 1993-2006, South Amboy			
Year	Number of Jobs	# Change	% Change
1993	2,611	--	
1994	2,665	54	2.1%
1995	2,638	-27	-1.0%
1996	2,761	123	4.7%
1997	2,764	3	0.1%
1998	2,655	-109	-3.9%
1999	2,373	-282	-10.6%
2004	2,560	-	-
2005	2,687	127	5.0%
2006	2,569	-118	-4.0%

*Third Quarter Numbers

The number of covered jobs has been decreasing since 1997 with the most significant decrease happening in 1999. In 2005 however, the City saw a sharp rise. In 1999, the largest number of jobs was in the service industry while the highest wages were found in the transportation/communications/utilities industry.

Private Employment and Wages 2003, South Amboy						
Industry	Employment				Wages	
	March	June	Sept	Dec	Weekly	Annual
Construction	182	223	207	196	\$1,145	\$59,549
Manufacturing	197	181	166	167	\$709	\$36,861
Wholesale trade	183	195	193	191	\$981	\$51,021
Retail trade	257	271	265	267	\$495	\$25,753
Transportation and warehousing	90	90	90	92	\$1,049	\$54,543
Finance and insurance	50	48	49	51	\$544	\$28,297
Real estate and rental and leasing	56	53	64	55	\$497	\$25,825
Professional and technical services	76	77	73	79	\$824	\$42,843
Administrative and waste services	479	478	485	454	\$654	\$33,983
Health care and social assistance	361	375	369	387	\$657	\$34,179
Arts, entertainment, and recreation	39	97	58	23	\$288	\$14,982
Accommodation and food services	308	317	323	286	\$229	\$11,924
Other services, except public administration	134	131	125	131	\$528	\$27,458
Unclassified entities	10	7	21	20	\$565	\$29,380
Total	2,465	2,584	2,523	2,430	\$650	\$33,799

IV. DETERMINING THE FAIR SHARE OBLIGATION

The need for affordable housing in New Jersey is divided into three components.

- *Rehabilitation share*- The rehabilitation share for affordable housing is the number of existing housing units as of April 1, 2000 that are both deficient and occupied by households of low or moderate income. This number is derived by review and analysis of unit conditions reported in the U.S. Census.
- *Prior Round Obligation*- The prior round obligation is the cumulative 1987-1999 fair share obligation determined by COAH.
- *Growth Share*- The growth share obligation is the obligation created through a municipality's actual market-rate residential and non-residential growth from January 1, 2004 through December 31, 2018. Growth occurring during this timeframe is converted into a affordable housing obligation by applying a ratio of 1 in 5. Meaning, one (1) affordable unit must be built among five (5) residential units constructed and for non-residential land development, one (1) affordable unit for every sixteen (16) jobs.

Rehabilitation Share and Prior Round Obligation

As per Appendices B and C of NJAC 5:97, South Amboy's rehabilitation share is 28 units and Prior round obligation is 0 units.

Growth Share Obligation

While the growth share obligation for South Amboy will be accrued through actual market-rate residential and non-residential growth from January 1, 2004 - December 31, 2008, COAH has provided projections of household and employment growth in Appendix F of NJAC 5:97. South Amboy's growth share obligation, prior to any permitted exclusions is 72. The projected obligation for a municipality may be modified based on the exclusions cited in NJAC 5:97-2.4. The attached Worksheet A details the projected growth share obligation for South Amboy based on Appendix F of the COAH regulations. There are no eligible exclusions. As shown in Worksheet A (Appendix A), the projected obligation remains 72 units.

City of South Amboy Affordable Housing Obligation	
Rehabilitation Share	28
Prior Round Obligation	0
Growth Share	72
Total Obligation	100

V. ZONING ANALYSIS

A zoning analysis, as required in the new Third Round regulations, is utilized to help determine how the City will meet its expected growth and affordable housing need. This analysis covers how existing zoning and planned zoning changes provide adequate capacity to accommodate residential and non-residential growth projections and include the following:

- An analysis of the available existing and planned infrastructure
- The anticipated demand for types of uses permitted by zoning based on present and anticipated future demographic characteristics of the Township and anticipated land use patterns
- The City's economic development policies and constraints on development with existing or planned measures to address constraints

Infrastructure

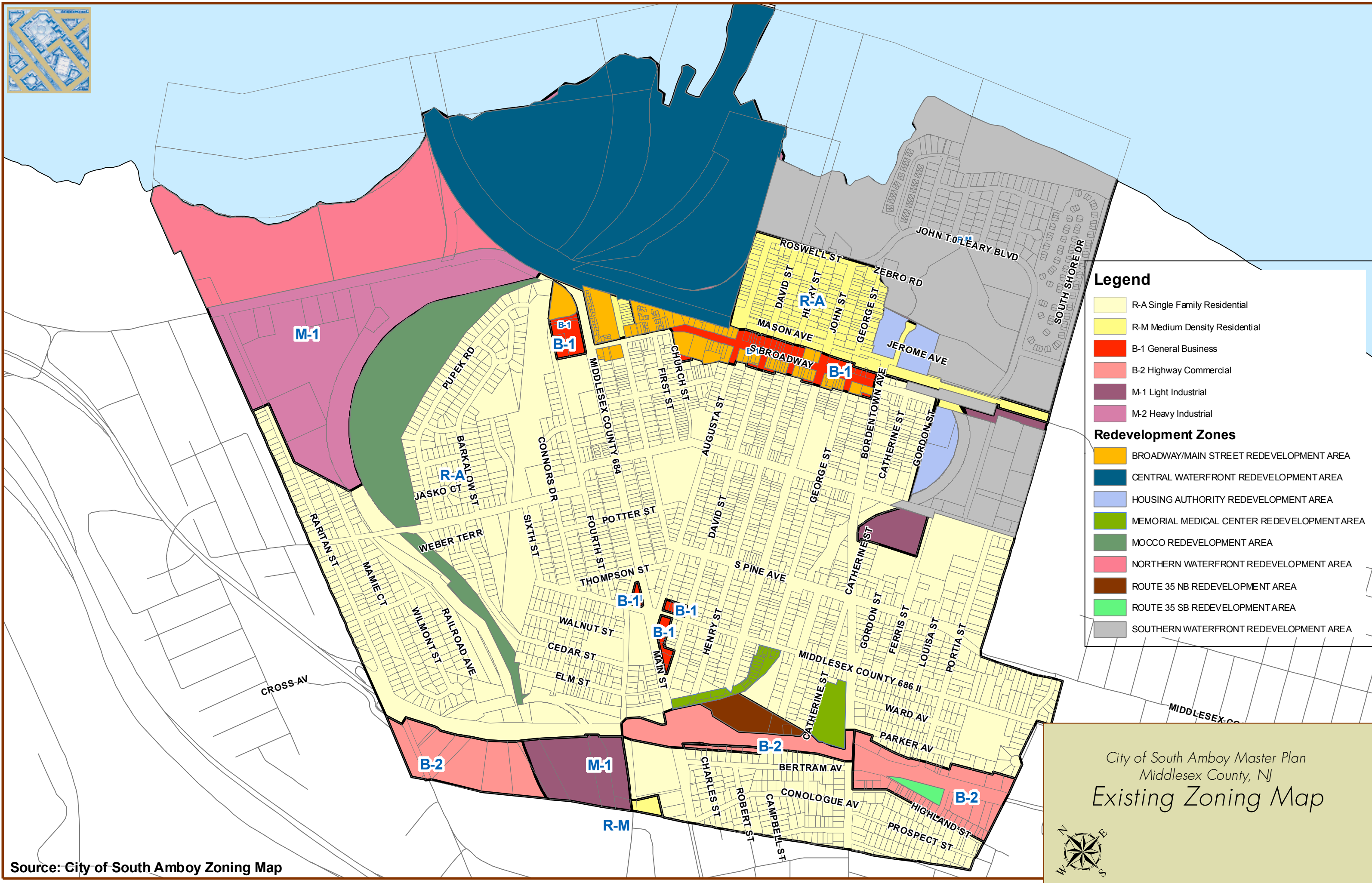
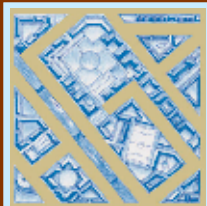
Sewer

The City is serviced by public sewers. All sanitary sewage generated within South Amboy is collected and transported to the Middlesex County Sewerage Authority's (MCUA) regional treatment plant in Sayreville, NJ. After treatment, the effluent is discharged into the Raritan Bay.

Anticipated Demand and Land Use Patterns

Demand

The City of South Amboy occupies approximately 1.6 square miles of land area and is essentially fully developed except for the waterfront redevelopment areas. According to the MPO projections, South Amboy will have an additional 330 households and 270 jobs by 2015. The growth share analysis that was completed showed numbers that were greater for residential and for employment growth. This current and anticipated demand for residential and employment growth, based on the analyses completed, will be met mainly through redevelopment areas and its current zoning. Most of the projected projects outlined in this Plan fall under existing approvals that have not begun total build-out. As both the projected household and employment growth outlined in this plan is more than the forecasts determined by the MPO, they are valid per COAH regulations.



City of South Amboy Master Plan
Middlesex County, NJ
Existing Zoning Map



Land Use

Residential

The City has only two different residential zoning districts. These districts simply sort residential development into single family and multi-family uses, with some overlap due to the conditional uses allowed in each zone. A description of these two zones follows:

R-A Single Family Residential

This zone comprises 553 acres of South Amboy, which is most of the residential neighborhoods in the City. The zone permits the construction of single-family detached housing; two family housing is allowed as a conditional use. The minimum lot area for the zone is 5,000 square feet. For two-family attached and detached housing in the R-A zone, the minimum lot area is 10,000 square feet.

R-M Medium Density Residential

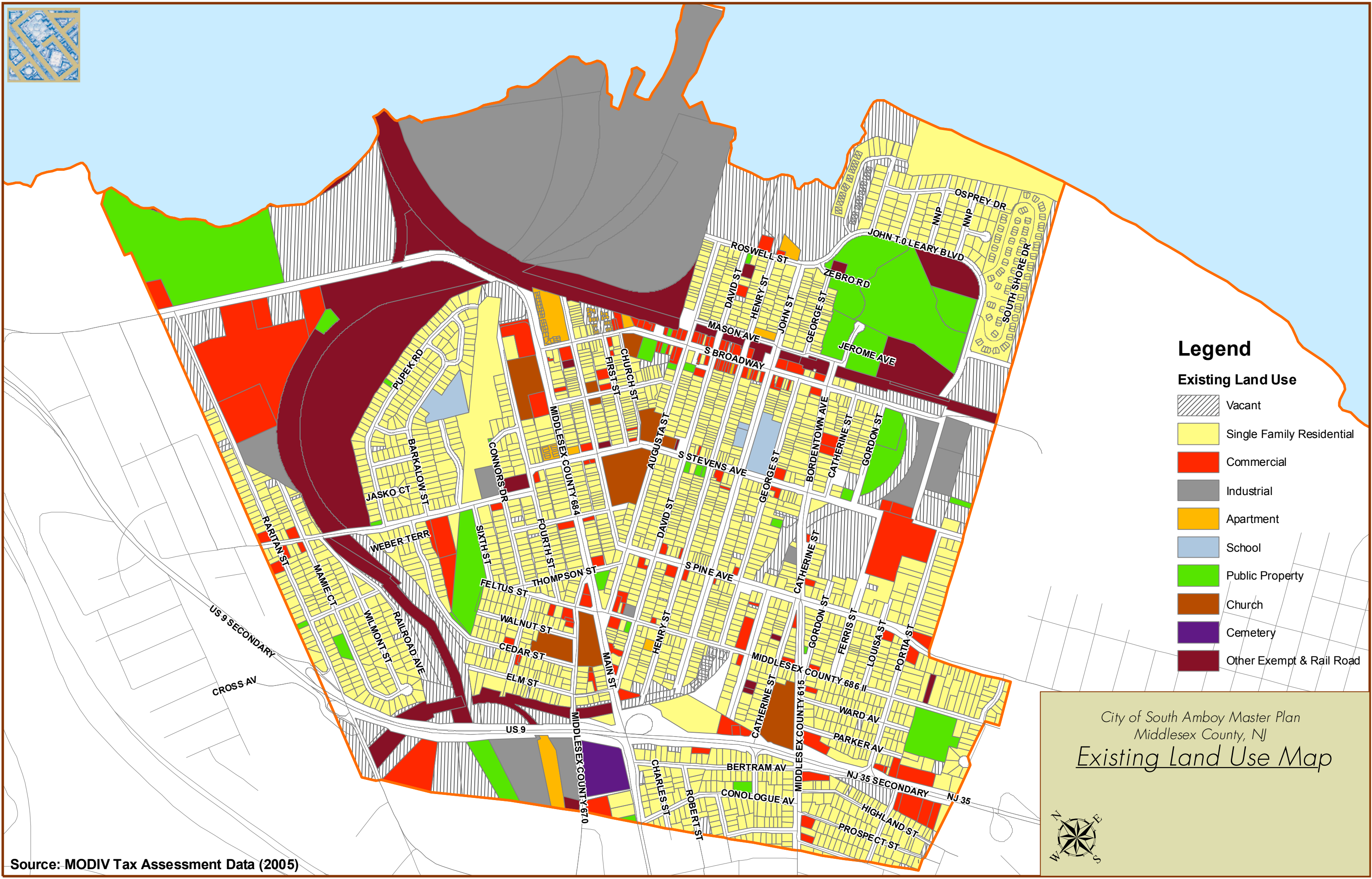
The R-M zone permits the construction of garden apartments, townhomes, and multi-family dwellings, with differing minimum lot area standards for each of the permitted uses. For garden apartments and multi-family dwellings, the minimum lot area is 3 acres. For townhomes, the minimum lot area per unit is 2,000 square feet. This zone comprises 157 acres of South Amboy, with the zone located in the southeastern corner of the City, bordering Raritan Bay.

Commercial/ Office

South Amboy has two commercial/office zones: B-1 General Business and B-2 Highway Commercial. These two zones meet the needs of the City by dividing possible commercial development within the City into the needs of local residents and the larger regional commercial needs.











B-1 General Business

The B-1 zone is designed to promote the clustering of local commercial uses and prevent congestion by limiting the density of these developments. The City has two B-1 commercial nodes: along South Broadway and at the intersection of Main Street and Feltus Avenue. The B-1 zone allows for the construction of neighborhood commercial uses on minimum 2,500 square foot lots. The B-1 zone comprises 20 acres of South Amboy.



Legend

Existing Land Use

-  Vacant
-  Single Family Residential
-  Commercial
-  Industrial
-  Apartment
-  School
-  Public Property
-  Church
-  Cemetery
-  Other Exempt & Rail Road

City of South Amboy Master Plan
Middlesex County, NJ
Existing Land Use Map



B-2 Highway Commercial

The B-2 zone is designed to promote large-scale commercial development not possible in a traditional main street setting. Usually these large-scale commercial developments utilize common parking facilities and draw from a much larger geographic area. All 34 acres of South Amboy zoned B-2 are located along Route 35 in the western edge of the City. The minimum lot area for the B-2 zone is 1 acre.

Industrial

South Amboy has two different industrial zones: M-1 Light Industrial and M-2 Heavy Industrial.

M-1 Light Industrial

The M-1 zone is designed to serve two purposes: to provide a buffer between the M-1 zone and surrounding residential areas and to provide South Amboy with a modern zone district that aligns with current industrial and warehousing demands. The M-1 zone allows for the construction of light manufacturing, research facilities, warehousing, and office space. The zone has a minimum lot area of 40,000 square feet. The zone comprises 260 acres. Areas zoned M-1 includes much of the City waterfront and selected locations along the City's southern and western borders.

M-2 Heavy Industrial

The purpose of the M-2 zone is to create a suitable area of the City for traditional manufacturing and industrial uses to locate. The M-2 zone comprises 126 acres of South Amboy and is located in the center of the City's waterfront. The minimum lot area in the M-2 zone is 100,000 square feet.

Other Plans

In addition to the zones above, South Amboy also has a number of different redevelopment areas that supercede the zoning for those areas. The three largest City redevelopment areas are all located along the South Amboy waterfront, with each at a different stage of development. Additional redevelopment areas are scattered throughout the City. A description of South Amboy's redevelopment areas follows:

Southern Waterfront Redevelopment Area

The Southern Waterfront Redevelopment Plan was adopted in 1995 with several subsequent revisions. The area is 121 acres in size, located along Raritan Bay in the southeastern corner of the City. The Redevelopment Plan proposed the construction of a mixed- use development,

including residential, parkland, and community facility components which will complement the existing South Amboy community. At this time, the redevelopment plan has been largely carried out, with the completion of a new middle and high school, library, ball fields, and a number of age-restricted and non-age restricted housing units. Construction on single-family homes, detached and attached townhouses has been completed. The construction of the remaining single-family homes continues at the time. Plans for the redevelopment of the marina and pier are also in place.

Broadway/ Main Street Redevelopment Area

The Broadway and Main Street Redevelopment Area consists of 10 acres located in the traditional core of South Amboy, fronting on Broadway or Main Street. The goal of the Broadway/ Main Street Redevelopment Plan is "to continue to enhance downtown Broadway that was begun by the City through major infrastructure improvements." Since 1995, streetscape improvements have been completed including new curbs, sidewalks, utility upgrades and new street lighting. Parking improvements have been proposed and some have been implemented.

Northern Waterfront Redevelopment Area

The Northern Waterfront Area was designated and a Plan for the area was adopted in 1995. The stated goal of the Plan was to construct a development that would complement the redevelopment of the Southern Waterfront Area. The Northern Waterfront Area includes most of the northeastern part of South Amboy bordering Raritan Bay. In 2001 New South Amboy Development Cooperation (DEVCOR) was designated as the redeveloper for the Northern Waterfront Area.

Central Waterfront Redevelopment Area

An Area In Need report was prepared for this area in October 2004, followed by the designation of the area as a Redevelopment Area. The Central Waterfront Redevelopment Area is currently the subject of litigation. As of this date, a Redevelopment Plan is being prepared for the Central Waterfront Redevelopment Area, which will link together the ferry facility in the Northern Waterfront Redevelopment Area with the South Amboy Train Station in the Broadway/Main Street Redevelopment Area.

Memorial Medical Center Redevelopment Area

The Memorial Medical Center Redevelopment Area was designated in 2000 to encompass the hospital and surrounding residential and vacant parcels. These parcels are located in the

Maxfields and the Center South Amboy neighborhoods. The Redevelopment Plan for the area was prepared in 2002. Plans for the area include a medical arts center and a residential component.

Route 35 South Bound Redevelopment Area

The Route 35 South Bound Redevelopment Area was designated in 1998, comprising the area northwest of the intersection of Hillcrest Avenue and Route 35. The Redevelopment Plan for the area proposed age-restricted housing development on the site.

Mocco Redevelopment Area

A Redevelopment Study was prepared in 2001 to determine if this site should be declared an area in need of redevelopment. The report recommended that the site be declared a redevelopment area. The area includes the abandoned rail yards in the northern part of the City.

Housing Authority Redevelopment Area

Two different sites in South Amboy were declared redevelopment areas to provide the Housing Authority with the necessary space to develop additional age-restricted housing to the community. One such site is along Gordon Street, where the Housing Authority is moving forward with a new senior living tower.

Economic Policies and Constraints on Development

Economic

The City of South Amboy has a diversified approach to economic development within its borders. In addition to utilizing redevelopment as the key method to spurring economic development along the waterfront and in the commercial core of the City, South Amboy also uses a number of other programs and initiatives.

Transit Village

The City of South Amboy was designated as one of the original five Transit Villages in the State of New Jersey's State Development and Redevelopment Plan. This designation allows the City greater eligibility for funding for improvements that will help South Amboy fulfill its role as a transportation hub for the region. South Amboy has actively pursued funding to create new facilities, upgrade and expand existing facilities and improve access corridors and transportation linkages. An Inter-modal Transportation Center is the major component of the

South Amboy upgrades. An Intermodal Transportation Center plan includes a multi-million dollar federal grant to build a Ferry Terminal, a new NJ Transit rail station with an elevated platform, new grade crossings for the commuter rail line, the reconstruction of the Main Street Bridge and a Main Street Widening Project. Some of these upgrades, such as the NJ Transit rail station work, have been completed.

Main Street South Amboy

The City of South Amboy became part of the State Main Street program in 2004. The Main Street program is designed to promote historic and economic redevelopment of traditional business districts in New Jersey. For South Amboy, the focus of the Main Street program has been on the City's traditional core, South Broadway. The Main Street program benefits communities by protecting and strengthening the local tax base, creating a positive community image, attracting new businesses and creating new jobs, and preserving architectural resources. Under the Main Street program, South Amboy is eligible for state-lead training on specific downtown-related issues, the assistance of professional consultants to help develop a plan for success, education materials, marketing and public relation services, and links to other Main Street type programs throughout the region.

Neighborhood Preservation Program

In 2002, the City applied for and received admittance into the Neighborhood Preservation Program (NPP), which creates a partnership among local residents, municipal officials, and the State of New Jersey. The program is designed to provide direct technical and financial assistance to municipalities over a three to five year period to conduct activities associated with the preservation of designated neighborhoods based on strategic revitalization's plans within those municipalities. South Amboy selected the Broadway/Downtown neighborhood to benefit from this program due to its location and the potential positive impacts on business and traffic for the whole City. The NPP program has resulted in a number of new local initiatives, including a newsletter about programs and events within the neighborhood, resident and merchant associations, and other planned neighborhood strengthening events. Of particular note is the Housing Rehabilitation program where residential owner occupants in the Broadway/Downtown neighborhood are eligible for financial assistance to rehabilitate their homes. HUD income guidelines are used with a maximum grant of \$5,000 per structure. A second program that provides a \$1,000 material grant is also available in the NPP area.

Constraints

Environmental Constraints

Due to its location, South Amboy contains a number of environmental constrained sites including wetlands, floodplains, and critical habitats. Generally these environmentally constrained sites are generally located along the South Amboy waterfront or in inlets and streams connected to the Raritan Bay.

Wetlands

Wetlands are an important aspect of the hydrologic and hydraulic characteristics of the City and serve several purposes. They support wildlife and distinct species of plant life. They also act as a retention basin for floodwaters and control various types of water pollution. Wetlands provide for extensive conservation and open space areas that can function as linear parks, green belts, or undeveloped open spaces to provide breaks within the dense urban form of the City.

South Amboy contains various wetlands throughout the City. Most of local wetlands are located along or near the shore, as shown on the wetlands map, although there are scattered wetlands located throughout. Wetlands in South Amboy constitute 62 acres of the City's total land area.

Floodplains

As denoted on the floodplain map the majority of the South Amboy flood plains are located close to the City's waterfront or related inlets. Floodplains provide South Amboy with additional open space within the City, particularly along its waterfronts. Through recent redevelopment efforts, much of the City's floodplains have been identified for preservation and transformation into parkland.

Critical Habitats

The City is also home to a number of critical habitats. These habitats include beach-land, forestland, and wetland habitats. Most local critical habitats are located near the southern municipal boundary. (see Habitats map.)

Watershed Management Areas

The New Jersey Department of Environmental Protection has divided the entire state into Watershed Management Areas (WMA) and plans to fund a program to provide regional watershed management. The WMA's are organized to develop regional plan, to reduce non-point source pollution, to improve the quality and quantity of water, and to reduce the potential for flooding. South Amboy is located within two WMA's : the Monmouth WMA and the Lower

Critical Habitats Map

Legend

Forested Wetlands

RANK
 Suitable Habitat (1)

Forest

RANK
 Priority Species (2)

Emergent Wetlands

RANK
 Priority Species (2)
 State Endangered (4)

Beach

RANK
 Suitable Habitat (1)



Source: NJDEP



0 1,000 2,000 Feet

City of South Amboy Master Plan
Middlesex County, NJ

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Floodplains Map

Legend

Flood Hazard Areas

- 1 Percent Annual Chance Floodplains
- 1 Percent Annual Chance Coastal Floodplain



0 1,000 2,000 Feet

City of South Amboy Master Plan
Middlesex County, NJ

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Wetlands Map

Legend

Wetlands

- Wooded Wetlands
- Scrub/Shrub Wetlands
- Disturbed Wetlands
- Herbaceous Wetlands



0 1,000 2,000 Feet

City of South Amboy Master Plan
Middlesex County, NJ

Prepared by -



Raritan WMA. Approximately 32 percent of South Amboy is located within the Lower Raritan WMA. The remaining 68 percent is located within the Monmouth WMA.

Land Ownership

As shown on the Land Ownership map there are a number of significant vacant and publicly owned parcels in South Amboy. While the City owns a number of scattered sites throughout South Amboy, most of these sites are currently being used for municipal purposes, the Housing Authority and parks.

The same can be said for vacant land within South Amboy, as many vacant sites throughout the City are already planned as part of various redevelopment efforts. Much of the vacant land located along the waterfront has already been identified as part of future redevelopment plans.

Known Contaminated Sites

The City has a number of contaminated sites. The New Jersey Department of Environmental Protection maintains a list of Known Contaminated Sites in New Jersey. These sites are under the oversight of the NJDEP Site Remediation Program and have or had contamination present at levels greater than the applicable cleanup criteria for soil, ground water standards and/ or maximum contaminated levels (MCL's) of the Safe Drinking Water Standards.

The list of known contaminated sites is shown on the Contaminated Sites Map. According to the Map, the City has fifteen known contaminated sites in the community.

Regional Planning Regulations

State Development and Redevelopment Plan

The New Jersey State Development and Redevelopment Plan divides the State into five different planning areas, with each area serving a different purpose to further the growth and prosperity of the State. South Amboy is located in the PA1 Metropolitan Planning Area because it is almost fully developed with little vacant land for new development. New growth will take the form of redevelopment, as anticipated in South Amboy.

Known Contaminated Sites

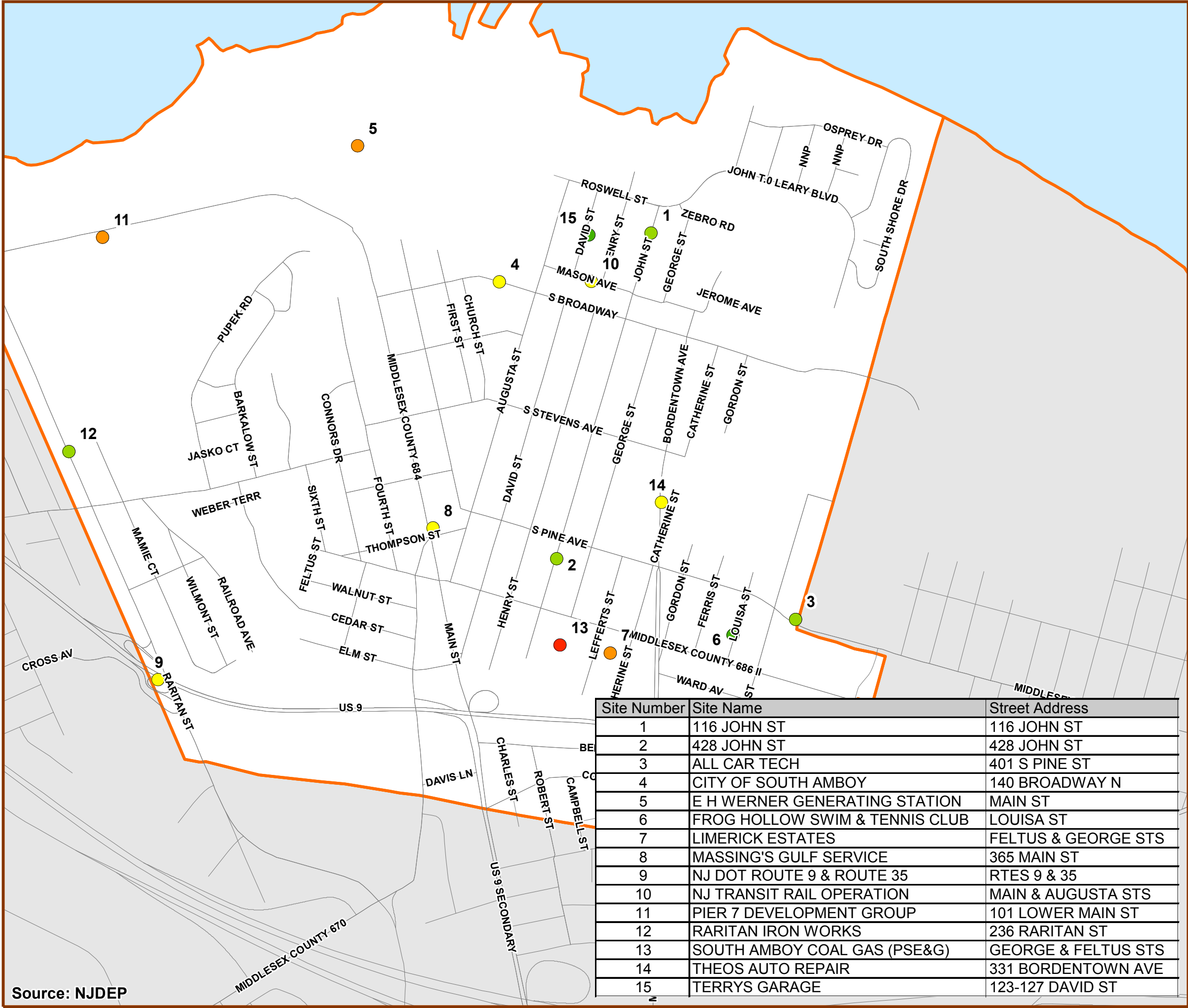
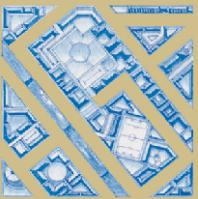
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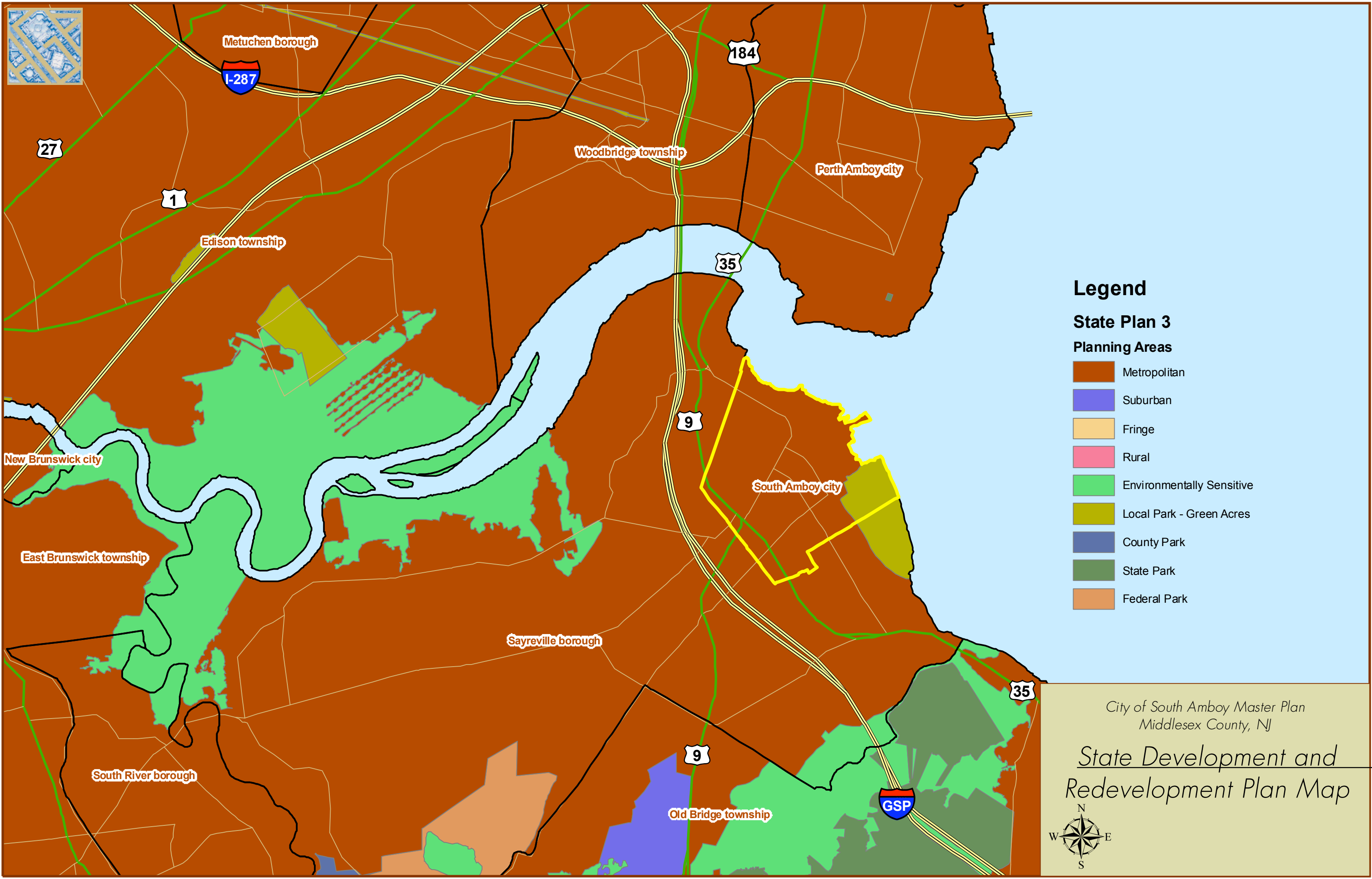
Known Contaminated Sites

Remedy Level

- B: Single Phase RA - Single Contamination Affecting Only Soils
- C1: No Formal Design - Source Known or Identified- Potential GW Contamination
- C2: Formal Design - Known Source or Release with GW Contamination
- C3: Multi-Phased RA - Unknown or Uncontrolled Discharge to Soil or GW
- D: Multi-Phased RA - Multiple Source/ Release to Multi-Media Including GW

0 800 1,600 Feet





Legend

State Plan 3

Planning Areas

- Metropolitan
- Suburban
- Fringe
- Rural
- Environmentally Sensitive
- Local Park - Green Acres
- County Park
- State Park
- Federal Park

City of South Amboy Master Plan
Middlesex County, NJ

*State Development and
Redevelopment Plan Map*

VI. CREDITS, REDUCTIONS AND MUNICIPAL ADJUSTMENTS

Second Round/Prior Round Obligation

At the time of petition, credits and corresponding bonuses for previous housing activity may be applied toward the prior round and growth share obligations. The following are the applicable credits listed in Chapter 97 of the Substantive Rules of COAH for the period beginning June 2, 2008:

- Prior Cycle: Housing units created and occupied between April 1, 1980 and December 15, 1986 in accordance with NJAC 5:97-4.2;
- Post 1986: One credit for each affordable housing unit within an inclusionary development, a municipally sponsored development or a 100 percent affordable development, in accordance with NJAC 5:97-4.3;
- Rehabilitation Credits: Rehabilitation of deficient housing units occupied by low- and moderate-income households performed subsequent to April 1, 2000, in accordance with NJAC 5:97-4.5. In order to receive a rehabilitation credit, a municipality shall submit information regarding the rehabilitated units on forms provided by the Council.

As outlined previously, The City of South Amboy has a total obligation of 100 units, 28 in rehabilitation units, 0 prior round units and 72 in growth share. South Amboy is part of Region 3 where the median income for a four-person household is \$95,800, the moderate-income level is \$76,640 and low income is \$47,900. The following outlines the measures that the City will enlist to meet its Fair Share and constitutes the South Amboy's Fair Share Plan.

Existing Credits

The City of South Amboy has one affordable development that falls under Prior Cycle credits. McCarthy Towers (Appendix B) is a low-income, age-restricted development that received a certificate of occupancy in November of 1985. Per COAH regulations, affordable units constructed between April 1, 1980 and December 15, 1986 are eligible for one to one credit with no restrictions. McCarthy Towers has a total of 72 units that were funded through HUD with the requirement that the units are affordable to low and moderate-income seniors. Utilizing these credits, the City of South Amboy fully meets its Growth Share Obligation of 72 units.

VII. AMENDED AND REVISED THIRD ROUND FAIR SHARE PLAN

Since the adoption of City's Third Round Housing Element and Fair Share Plan and petition for substantive certification in December of 2006, COAH's affordable housing regulations were amended and the growth share approach revised to incorporate an independent assessment of the household and employment growth projections. In response to the amended regulations, this revised 2008 Third Round Housing Element and Fair Share Plan is proposed by the Town.

As stated in the 2008 Third Round regulations, a Fair Share Plan shall include at least the following requirements:

- Descriptions of any credits intended to address any portion of the fair share obligation.
- Descriptions of any adjustments to any portion of the fair share obligation.
- Descriptions of any mechanisms intended to address the prior round obligation, the rehabilitation share, and the growth share obligation.
- An implementation schedule that sets forth a detailed timetable for units to be provided within the period of substantive certification.
- Information and data to support a vacant land adjustment or a household and employment growth projection adjustment.
- Draft Fair Share Ordinances necessary for the implementation of the programs and projects designed to satisfy the fair share need.
- Demonstration that existing zoning or planned changed in zoning provide adequate capacity to accommodate any proposed inclusionary developments.
- Demonstration of existing or planned water and sewer capacity sufficient to accommodate all proposed mechanisms and;
- A spending plan, if the municipality intends on establishing an affordable housing trust fund.

South Amboy is part of Region 3 where the affordability guidelines set for the region will apply. The following outlines the measures that the Town will enlist to meet its Fair Share and constitutes its Fair Share Plan.

Growth Share Obligation

Under the revised rules as of October 20, 2008, COAH has determined that South Amboy has a Growth Share Obligation of 72-units. The breakdown of how Dover may satisfy this Third Round Growth Share Obligation requirement based on COAH regulations is as follows.

- **Rental Component Minimum-** 25% of the Growth Share obligation must be addressed with rental housing. No more than 50% of this rental housing obligation can be met with age-restricted housing.
 - **Bonus for rental-** After 25% rental obligation is met. Provided that (50% are family rentals. If yes, then 2 for 1 credit for family and 1.25 for supportive housing may be applied
 - **Rental Bonus Maximum-** 25% of Growth Share
- **Maximum Age-Restricted Units-** A maximum of 25% of the Growth Share obligation can be met with age-restricted housing.
- **Family Obligation-** 50% of Growth Share
- **Low Income Obligation-** 50% of Growth Share
- **Very Low Income Minimum-** 13% of the Growth Share obligation must be affordable to very low-income households. Very low-income households are defined as those households earning less than 30% of the regional median income. This 13% very low obligation may be included as part of the 50% low-income requirement.

South Amboy has, and continues to, provide for affordable opportunities. These projects will be credited towards the projected Growth Share obligation of 72 units. The City understands that the Growth Share Obligation will be based on actual certificates of occupancy issued and that COAH will be monitoring its obligation.

Application of Existing and Future Credits

The City intends to apply existing credits to its Prior Round Obligation. In conformance with COAH regulation, the Town will be applying seventy-two (72) of Prior Cycle Credits to meet its Growth Share obligation.

The City has two Housing Authority Redevelopment Areas. The first encompasses an existing HUD development that has been established within the City since the 1950's. The second includes a parcel across from the existing HUD development in which an additional 40 units of low and moderate-income age-restricted housing will be developed (See Appendix C). The Housing Authority is the developer of the project and will administer the units once they are completed.

Per COAH regulations, the City is allowed to utilize up to 25% of its in-town obligation with age-restricted units after prior cycle credits are subtracted. Although the City meets its obligation with McCarthy Towers, the Housing Authority's 40-unit age-restricted project will provide South Amboy with additional credits as the City's actual growth is monitored.

City of South Amboy Prior Round Obligation	
Rehabilitation Share	28
Prior Round Obligation	0
Growth Share Obligation	72
<i>McCarthy Towers Prior Cycle</i>	<i>72</i>
<i>Robert Noble Age-restricted</i>	<i>40</i>
Remaining Growth Share Obligation	0

Implementation Mechanisms

The City will be utilizing approved mechanisms to meet the projected Third Round Fair Share Obligation and these mechanisms will include:

Rehabilitation Credits

According to COAH, the City of South Amboy has a 28-unit rehabilitation obligation. The City of South Amboy has been and continues to be a participant in housing rehabilitation programs administered by the Middlesex County Department of Housing and Community Development. The grants administered by the Middlesex County Department of Housing and Community Development for housing rehabilitation are for low income homeowners. The current maximum loan under the Housing Preservation Program is \$25,000 and there is a 2.5% annual simple interest charge. Participation in the Housing Preservation Program is limited to income eligible homeowners in 18 Middlesex County municipalities. The Housing Preservation Program is funded by a Community Development Block Grant. The program is consistent with COAH regulations (Appendix D). The City will continue to actively participate in the Middlesex County Housing Preservation Program and will supplement this program if needed.

Redevelopment Agreements

Any redeveloper in any future redevelopment areas will be required to meet their fair share produced through development. This obligation will be a component of any associated Redevelopment agreement and will be the obligation of the designated redeveloper(s). All

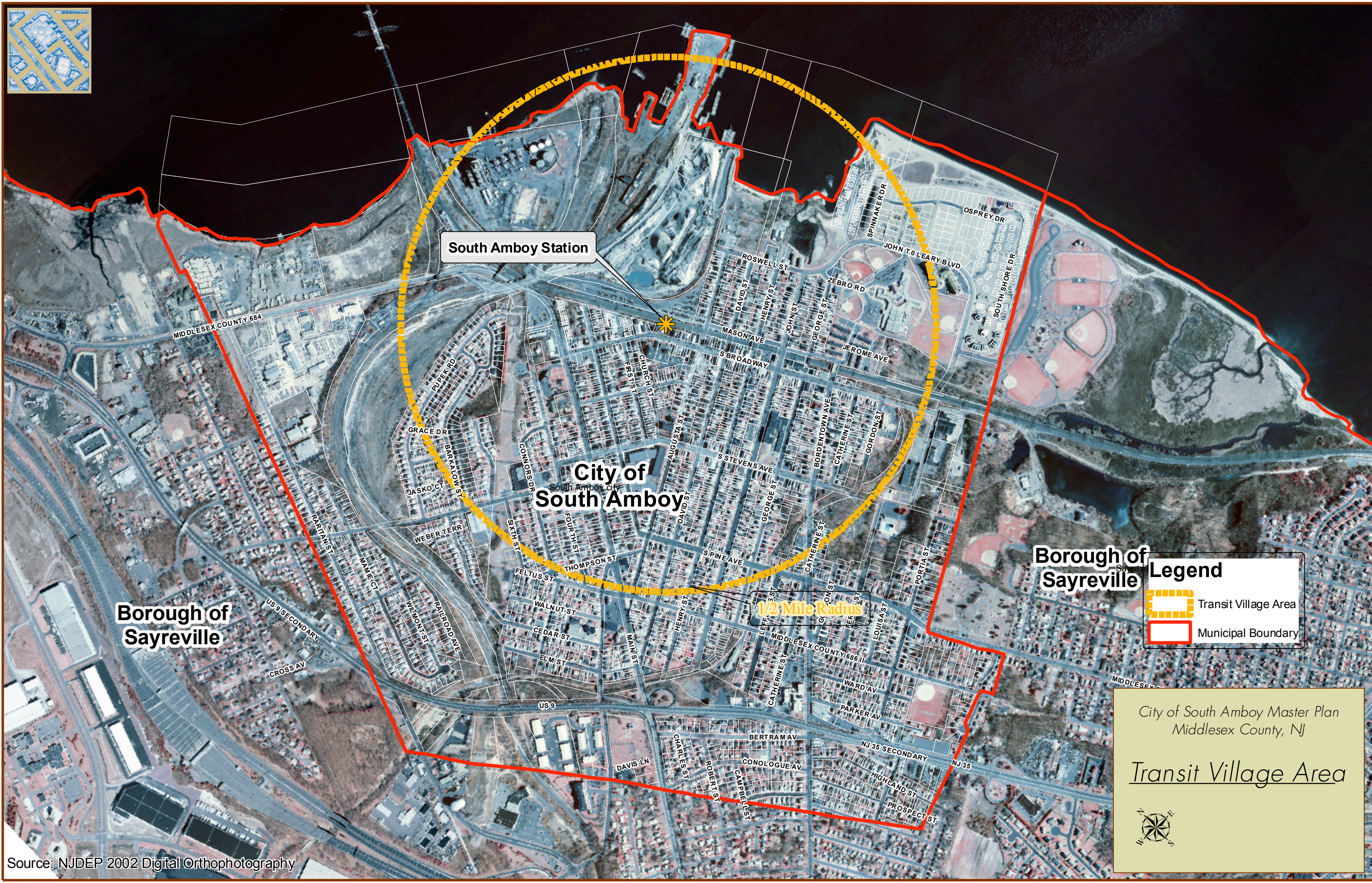
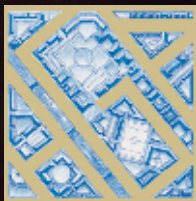
executed redeveloper agreements will detail the affordable housing obligation and will be consistent with COAH regulation pertaining to the City's Transit Village status.

Development Fee Ordinance

The City of South Amboy will adopt a development fee ordinance for the purpose of collecting fees to fund affordable housing activities, specifically for rehabilitation and affordability assistance. The ordinance would allow for the collection of one and one-half (1 ½) percent of equalized assess value of residential units and two and one-half (2 ½) percent of equalized assess value of non-residential development. A draft ordinance can be found in Appendix E. When more is know regarding the impact of the "A-500" legislation, a spending plan will be forthcoming.

Transit Village Designation

The City's Transit Village status appears to have a likely have an impact on the City's ability to collect the fees necessary to support an affordable housing agenda without an influx of State funding. The limits of the Transit Village Area are depicted in the Transit Village Area Map. New State legislation has determined that designated Transit Villages are exempt for the 2 ½ non-residential development fee. Such designation is determined to be in effect for an area of ½ mile circumference from the South Amboy Rail Station. However, while non-residential development fees are except, the rules indicate that all development must include a 20% inclusionary affordable housing component for all residential projects.



South Amboy Station

City of
South Amboy

Borough of
Sayreville

Legend

- Transit Village Area
- Municipal Boundary

1/2 Mile Radius

City of South Amboy Master Plan
Middlesex County, NJ

Transit Village Area

VIII. IMPLEMENTATION SCHEDULE

The City of South Amboy is moving forward in its attempt to provide a realistic opportunity toward the creation of affordable housing.

Even though South Amboy meets its Prior Round (0) and Growth Share (72) obligations today, the City proposes a phased implementation program to address its rehabilitation (28) obligation. The ten-year period between 2008 and 2018 will be divided into four phases of three years each, as provided below:

City of South Amboy Implementation Schedule for Prior Round and Growth Share Obligation	
	Housing Period
Phase 1	2009-2011
Phase 2	2011-2013
Phase 3	2013-2015
Phase 4	2015-2018

This Implementation schedule is designed to outline the City's intent to meet its obligation beginning at the Plan's adoption and through 2018. Furthermore, the City realizes that COAH compliance will be a monitoring and reporting exercise that will continue to evolve as the marketplace dictates.

South Amboy intends on utilizing a phased approach that not only advances the creation of affordable housing, but also ensures that the years of comprehensive planning remains fully intact. While the City will continue to monitor growth within the first two reporting periods, subsequent reporting periods may require alternative strategies as markets change and new development comes forward. As such, the City will continue proactively planning to meet its affordable housing obligations while monitoring the current marketplace as it relates to the future build-out of the Redevelopment Area.

Subsequent reporting periods may in all likelihood require a revised strategy. However, these strategies cannot be detailed until more is known regarding such things as market conditions, the true impact of Transit Villages, and the impact of executed redeveloper agreements.

The following is the implementation schedule.

REPORTING PERIOD	DESCRIPTION
2009-2011	<ul style="list-style-type: none">• Continue advancing the 40-unit very-low income age-restricted project at Robert Noble Manor. Certificates of Occupancy anticipated within this reporting period.• Finalize ordinance work necessary to meet the Town's Fair Share Housing Plan once certified by the COAH.• Work with the County on the rehabilitation program.
2011-2013	<ul style="list-style-type: none">• Continue implementing the housing rehabilitation program.
2013-2015	<ul style="list-style-type: none">• Continue implementing the housing rehabilitation program.
2015-2018	<ul style="list-style-type: none">• Completion of Rehabilitation program.

Appendices

COAH Application & Compliance Documentation

Appendix A

COAH Worksheet A

Workbook A: Growth Share Determination Using Published Data

(Using Appendix F(2), *Allocating Growth To Municipalities*)

COAH Growth Projections **Must be used in all submissions**

Municipality Name:

City of South Amboy

Enter the COAH generated growth projections from Appendix F(2) found at the back of N.J.A.C. 5:97-1 et seq. on Line 1 of this worksheet. Use the Tab at the bottom of this page to toggle to the exclusions portion of this worksheet. After entering all relevant exclusions, toggle back to this page to view the growth share obligation that has been calculated. Use these figures in the Application for Substantive Certification.

	Residential	Non-Residential
1 Enter Growth Projections From Appendix F(2) *	239	394
2 Subtract the following Residential Exclusions pursuant to 5:97-2.4(a) from "Exclusions" tab	Click Here to enter Prior Round Exclusions	
COs for prior round affordable units built or projected to be built post 1/1/04	0	
Inclusionary Development	0	
Supportive/Special Needs Housing	0	
Accessory Apartments	0	
Municipally Sponsored or 100% Affordable	0	
Assisted Living	0	
Other	0	
Market Units in Prior Round Inclusionary development built post 1/1/04	0	
3 Subtract the following Non-Residential Exclusions (5:97-2.4(b))		
Affordable units	0	
Associated Jobs		0
4 Net Growth Projection	239	394
5 Projected Growth Share (Conversion to Affordable Units Dividing Households by 5 and Jobs by 16)	47.80 Affordable Units	24.63 Affordable Units
6 Total Projected Growth Share Obligation		72 Affordable Units

* For residential growth, see Appendix F(2), Figure A.1, Housing Units by Municipality. For non-residential growth, see Appendix F(2), Figure A.2, Employment by Municipality.

Appendix B

McCarthy Towers

Appendix C

*Robert Noble Manor- Funding
Commitment Documentation*



David B. Crablel
Freeholder Director

Stephen J. Dellina
Deputy Director

Camille Fernicola
M. James Pulos
John Pulamena
Christopher D. Rafano
Blanchette B. Valenti
Freeholders

Camille Fernicola
Freeholder

John A. Bully
Executive Director

(732) 745-9025
FAX (732) 745-4117

**COUNTY OF MIDDLESEX
PUBLIC HOUSING AGENCY
HOUSING AND COMMUNITY DEVELOPMENT
MIDDLESEX COUNTY ADMINISTRATION BUILDING
JOHN F. KENNEDY SQUARE
NEW BRUNSWICK, NEW JERSEY 08901**

August 9, 2007

Mr. Michael Staton
NJ Housing and Mortgage Finance Agency
637 South Clinton Avenue
PO Box 18550
Trenton, NJ 08650

RE: South Amboy Renaissance Corp. Robert Noble Manor

Dear Mr. Staton:

The Middlesex County Department of Housing and Community Development along with the Middlesex County Board of Chosen Freeholders support the new construction of Robert Noble Manor. This project by the South Amboy Renaissance Corp. will provide affordable rental apartments for low income senior citizens.

South Amboy Renaissance Corp., a qualified Community Housing Development Organization (CHDO), has previously been awarded \$550,000 in HOME Investment Partnerships Program funding and \$500,000 in Middlesex County affordable housing funds for this project. The County is currently evaluating a request for \$700,000 in additional HOME Investment Partnerships Program funding. We are in the midst of conducting the required subsidy layering review and cannot formally commit the additional funds until that review is complete. Based on our previous commitments to this project and that fact that the developer is a CHDO organization, the County would be likely to provide additional HOME funding pending a favorable layering review.

If you have any questions on this matter, please do not hesitate to contact me at 732-745-2922 or melissa.palfy@co.middlesex.nj.us.

Sincerely,

Melissa A. Palfy
Melissa A. Palfy
Program Monitor

cc: South Amboy Renaissance Corp.



HMFA

New Jersey Housing
and Mortgage
Finance Agency

Joseph V. Doria, Jr.
Acting Commissioner

Marge Della Vecchia
Executive Director

October 11, 2007

South Amboy Renaissance Corporation
Gary Hirsch, Executive Director
250 S. Broadway
South Amboy, NJ 08879

Re: Robert Nobel
HMFA #1496
Declaration of Intent

Dear Mr. Hirsch:

On September 20, 2007 the Board of the New Jersey Housing and Mortgage Finance Agency approved a declaration of intent ("Declaration of Intent") stating the intention of the Agency to 1) issue tax-exempt bonds in an estimated amount not to exceed \$5,239,000 in construction and permanent financing and 2) fund from the Agency General Funds in an estimated amount of \$2,000,000 in construction and permanent financing by way of a second mortgage subsidy and bridge loan for the financing of a project known as Robert Nobel, HMFA #1496. This action is usually the first step in a project's approval process; however, this approval does not constitute a mortgage commitment by the Agency.

Approval of this Declaration of Intent will establish for tax purposes the eligibility of costs associated with pre-bond sale and development work on the project. By this action, the Board will express its present intent to issue bonds for this project. The Agency's ability to market bonds at a feasible rate and the ability of the project to conform to Agency underwriting requirements, as well as compliance with federal tax and other laws, has not yet been determined. This action does not obligate the Agency to take any further action in connection with this project, including any action to issue bonds or to provide first mortgage financing, gap financing, or a tax credit allocation. This declaration is not intended to give this project any preference over any other project financing.

HMFA #1496
Robert Nobel
Declaration of Intent
Page 2

This Declaration of Intent will expire one (1) year from the date of its approval by the Board, unless all requirements for a mortgage commitment have been met and a commitment is approved by the Board within that one year period. The Executive Director has the authority to extend this declaration for two additional six-month periods. This Declaration of Intent will remain valid for the life of the mortgage commitment through any mortgage commitment extensions, mortgage recommitments, or through the issuance of tax-exempt bonds (if applicable), whichever is later. This Declaration of Intent will expire if no mortgage commitment is issued within the one-year period, or as otherwise extended by the Executive Director. A Declaration of Intent is usually used in conjunction with Low Income Tax Credits to establish a date that marks the beginning of a project and the potential eligibility of costs associated with the project as defined in the IRS Code. For specific details, one should consult the services of a professional accountant.

As of October 4, 2007, the Governor's veto period has expired regarding actions taken by the Agency's Board in the meeting of September 20, 2007. Therefore, the Board actions are now ratified subject to the satisfaction of all conditions.

It is our hope that this most worthwhile project will go forward and the Agency can work out the details that will enable us to provide the financing.

Please feel free to contact me at 609-278-7440 if you have any questions.

Sincerely,



Tracee Battis
Chief of Programs

**REQUEST FOR ACTION BY MEMBERS OF
THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**

Actions Requested:

1. Approval of a "Declaration of Intent" stating the intention of the Agency to issue tax exempt bonds in an estimated amount not to exceed \$5,239,000 in construction and permanent financing for a project known as Robert Noble Manor, HMFA #1496, upon the terms and conditions set forth below. Approval of this "Declaration of Intent" will establish for tax purposes the eligibility of costs associated with pre-bond sale and development work on the project. By this approval, the Board expresses its present intent to issue bonds for this project. The ability of the project to conform to the Agency's Underwriting Guidelines and Financing Policy, as well as compliance with federal tax and other laws, has not yet been determined. This approval does not obligate the Agency to take any further action in connection with this project, including any approval to allocate tax-exempt bond volume cap, to issue bonds or to provide first mortgage financing, gap financing or a tax credit allocation. This consideration for a Declaration of Intent is not intended to give this project any preference over any other project financing.
2. Approval of a "Declaration of Intent" stating the intention of the Agency to fund a project known as Robert Noble Manor, HMFA #1496, from the Agency General Funds in an estimated amount of \$2,000,000 in construction and permanent financing by way of a second mortgage subsidy and bridge loan.

Issues, Comments and Related Actions:

Prior Board Approval

On August 17 2006, the Agency Board approved actions:

1. "Declaration of Intent" for permanent financing.

The Applicant

South Amboy Renaissance Corporation, located in South Amboy, New Jersey is the applicant for the project's financing.

The Developer

South Amboy Renaissance Corporation will also act as the developer for the project.

The Sponsor/Borrower

The applicant for the project's financing will form a Limited Liability Company known as Robert Noble Manor, LLC to be known as the Sponsor/Borrower. The Managing Member has not yet been formed and the investor has not yet been selected.

This is the sponsor's first project with the Agency. However, members of the developer are officers with the Housing Authority. These members are Sy Attardi, Chairman of the South Amboy Housing Authority and Grace Hoffman, Vice Chairman of the South Amboy Housing Authority.

Acquisition

The City of South Amboy currently owns the land. An existing senior apartment building is currently on the property. The Renaissance site will be subdivided from the property and transferred to South Amboy Renaissance Corporation. South Amboy Renaissance Corporation is under contract to purchase the project site from the City of South Amboy for a purchase price of \$1.00. The Sponsor will lease the property from the developer South Amboy Renaissance Corporation.

The Project

The South Amboy Renaissance Corporation proposes the new construction of four elevated four-story buildings totaling 40 one-bedroom units for seniors. There will be an open courtyard area at the center of the four buildings. All of the units are proposed to be affordable to seniors earning no more than 60% of the area median income. The buildings will contain an on-site office, community room, security system and laundry facilities. The site will also contain 44 parking spaces. The project will be managed by the South Amboy Housing Authority.

Robert Noble Manor will be located in a quiet residential neighborhood adjacent to an existing city owned senior project. The Robert Noble Manor site is currently a part of the existing project's site and will be subdivided. The surrounding neighborhood is a combination of one and two-story structures with commercial, residential and light industrial uses. The South Amboy Senior Center is located nearby. Also, Raritan Bay Park, a Middlesex County park, is approximately ¼ mile from the project site. The project is also located in a Smart Growth area. South Amboy is also a designated Transit Village.

The sponsor currently has been granted a tax abatement by the City of South Amboy for the project. The abatement authorizes the municipality to execute an Agreement for Payments in Lieu of Taxes with the sponsor. The sponsor is currently negotiating such an agreement that will waive any required payment by the project to the municipality. The sponsor has elected 4% for purpose of Tax Credits.

Agency Permanent Financing

The first mortgage is currently estimated to be \$4,365,397 and will be used for construction and permanent financing. This will be evidenced by two mortgage notes. Both notes will be secured by a first mortgage lien on the property. Note I is anticipated to be in the amount of \$1,174,397 for a term of 30 years from the start of amortization. In order to meet the 55% aggregate basis test as required by the Agency's Underwriting Guidelines, Note II must be funded through bond proceeds in an amount anticipated to be \$3,191,000. Note II will be used for construction only with a maturity date of 18 months from the date of loan closing. Note II will be additionally secured by an assignment of syndication proceeds and the HMFA Second Mortgage. Both notes will have an estimated interest rate of 5.40% for the construction period and Note I will have an estimated interest rate of 5.55% from the start of amortization through its 30-year term.

Agency Second Mortgage

The Agency will provide a second mortgage in a total amount not to exceed \$2,000,000 in construction and permanent financing from the Agency's General Fund or any other funds available to the Agency. This second mortgage will be secured by a second mortgage lien on the property. This second mortgage will consist of two mortgage notes as follows:

Note I (Subsidy Loan)

Note I will be a subsidy loan in an amount not to exceed \$1,600,000, at an interest rate of 0% during construction and 1% from the start of amortization for a term of 30 years.

Note II (Bridge Loan)

Note II will be a bridge loan in an amount not to exceed \$400,000, at an interest rate of 0% during construction and 1% from the start of amortization for a term of 40 years.

This mortgage commitment will be conditioned upon the Sponsor submitting an application for FHLBNY AHP funds in the October round. If AHP funds are committed to the project, the funds will go towards repayment of the HMFA Second Mortgage Note II.

Other Funding Sources

Federal Home Loan Bank	The sponsor anticipates receiving a grant from the Federal Home Loan Bank in the amount of \$400,000.
------------------------	---

LIHTC	The sponsor is applying for 4% tax credits and anticipates the sale of federal low-income housing tax credits at \$.975 cents on the dollar. In exchange for the tax credits, the investor, MMA Financial is expected to generate equity in the amount of \$2,676,356.
Middlesex County Affordable Housing Funds	The County of Middlesex has committed \$500,000 in Affordable Housing funds towards the project.
Middlesex County HOME Funds	The sponsor will be applying for \$1,250,000 from The County of Middlesex HOME funds towards the project.
SUNLIT Rebate	The Sponsor will receive, upon installation of photovoltaic solar panels, a rebate through the SUNLIT Program for a portion of the cost of the system in an estimated amount of \$85,000.
Deferred Developer Fee	The Sponsor anticipates providing deferred developer fee, in the aggregate amount of \$387,447. Collection of the Deferred Developer Fee will come from cash flow by way of Return on Equity.
DOI Expiration Date:	This Declaration of Intent will expire one (1) year from the date of its approval by the Board, unless all requirements for a mortgage commitment have been met and the Board approves a commitment within that one-year period. The Executive Director has the authority to extend this declaration for two additional six-month periods. This Declaration of Intent will remain valid for the life of the mortgage commitment through any mortgage commitment extensions, mortgage recommitments, or through the issuance of tax-exempt bonds (if applicable), whichever is later. This Declaration of Intent will expire if no mortgage commitment is issued within the one-year period, or as otherwise extended by the Executive Director. A Declaration of Intent is usually used in conjunction with Low Income Tax Credits to establish a date that marks the beginning of a project and the potential eligibility of costs associated with the project as defined in the IRS Code.

New Jersey Housing and Mortgage Finance Agency
Multifamily Programs Division
Project Report
Robert Noble Manor, HMFA# 1496
South Amboy, Middlesex County

Block No. 25
Lot Nos. 1

Legislative District: 19
Congressional District: 6
Census Tract: 76

Project Description: New construction of four, elevated three-story buildings containing 40 one-bedroom units in total for seniors. All of the units will be affordable to seniors earning no more than 60% of the area median income. The building will contain an on-site office, community room, security system and laundry facilities. The project will be managed by South Amboy Housing Authority. The units will each be approximately 600 SF in size. The site is 1.07 acres in size.

Site Location: 250 South Broadway, South Amboy, Middlesex. The surrounding neighborhood is a combination of one and two-story structures with commercial, residential and light industrial uses. The South Amboy Senior Center is located nearby. Also, Raritan Bay Park, a Middlesex County park, is approximately ¼ mile from the project site. The project is also located in a Smart Growth area and in a Transit Village.

Development Team:

Developer: South Amboy Renaissance Corporation
Gary Hirsch, Executive Director
250 S. Broadway
South Amboy, NJ 08879
732-672-9295

Sponsor/Borrower Entity: TBD

Principals:

Gary Hirsch, Executive Director
250 S. Broadway
South Amboy, NJ 08879
732-672-9295

<u>Consultant:</u>	Consolidated Construction Manager Services 9 Professional Circle, Suite 204 Colts Neck, NJ 07722 (732) 303-1997
<u>Architect:</u>	DMR Architects 777 Terrace Avenue Hasbrouck Heights, NJ 07604 (201) 288-2600
<u>Attorney:</u>	James J. Burke & Associates, LLC James J. Burke 70 Adams St., 2 nd Floor – Commercial Unit Hoboken, NJ 07030 (201) 610-0800
<u>General Contractor:</u>	To be determined
<u>Managing Agent:</u>	South Amboy Housing Authority Thomas O'Leary 250 South Broadway South Amboy, NJ 08879 732-721-1831
<u>Clearances and Disclosures:</u>	All required disclosures will be submitted prior to project funding.
<u>Site Control:</u>	The Sponsor will lease the property from the developer.
<u>Zoning:</u>	The property has been properly zoned for the proposed use prior to project funding.
<u>Utilities:</u>	All utilities are available to the site.
<u>Land Valuation:</u>	Has been determined in accordance with Agency standards.
<u>Taxes:</u>	Tax abatement has been granted in accordance with the Agency statute under N.J.S.A. 55:14K-37.
<u>Environmental:</u>	Has been completed in accordance with Agency underwriting standards.

FINANCIAL INFORMATION

DEVELOPMENT COSTS

Acquisition	\$0	(\$/DU)	(\$/SF)
Construction Costs (Including Contractor Fee)	\$5,880,000	(\$147,000/DU)	(\$164/SF)
Developer Fee	\$800,000	(\$20,000/DU)	(\$22/SF)
Professional Fees	\$438,500	(\$10,962/DU)	(\$12/SF)
Carrying, Financing and Other Charges	<u>\$954,700</u>	<u>(\$23,867/DU)</u>	<u>(\$27/SF)</u>
TOTAL DEVELOPMENT COST	\$8,073,200	(\$201,829/DU)	(\$225/SF)

LESS PROPOSED SOURCES

HMFA First Mortgage, Note I	\$1,174,397	(\$29,359/DU)
LHITC Equity	\$2,676,356	(\$66,909/DU)
Middlesex County Funds	\$500,000	(\$12,500/DU)
Middlesex County HOME Funds	\$1,250,000	(\$31,250/DU)
Deferred Developer Fee	\$387,447	(\$9,686/DU)
SUNLIT	\$85,000	(\$2,125/DU)
HMFA Second Mortgage Note I	\$1,600,000	(\$40,000/DU)
HMFA Second Mortgage Note II	\$400,000	(\$10,000/DU)
TOTAL PROPOSED SOURCES	\$8,073,200	(\$201,829/DU)

REPAYMENT OF HMFA FIRST MORTGAGE NOTE II

HMFA First Mortgage Note II	\$3,191,000	(\$79,775/DU)
<u>Sources</u>		
HMFA Second Mortgage Note II	\$282,144	(\$7,053/DU)
LHITC Equity	\$2,676,356	(\$66,909/DU)
Middlesex County Affordable Housing Funds	\$50,000	(\$1,250/DU)
Middlesex County HOME Funds	\$125,000	(\$3,125/DU)
SUNLIT Rebate	\$57,500	(\$1,437/DU)
TOTAL HMFA First Mortgage Note II	\$3,191,000	(\$79,775/DU)

Affordability Overview
Rental Housing

<u># Units</u>	<u>Unit Type</u>	<u>Net Monthly Rent</u>	<u>Utility Allowance</u>	<u>Range of Affordability</u>
40	1 Bedroom	\$600	\$92	Low 40.06%

Total 40# of Units

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MULTI-FAMILY - with or without TAX CREDITS
SCHEDULE 10-A: PROJECT DESCRIPTION-CONSTRUCTION (ONLY) AND
CONSTRUCTION & PERMANENT LOANS

[illegible]

* Low - Rise (1 - 3), Mid/Ht. - Rise (4 - stories), townhouse or semi-detached
 * 40-60 per-cent means 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the area median income
 * 20-50 per-cent means 20% or more of the residential units will be restricted and occupied by households whose income is 50% or less of area median income

SCHEDULE 10-B: EST. DEVELOPMENT COSTS AND CAPITAL REQUIREMENTS

Indicent
Commitment
Re-Commitment
Used Sale
Closing

HMFA 1498

Prepared by

Reviewed by

Director of RIV Programs & Loans

Director of Special Needs (if applicable)

Will loans be repaid from project revenues?

Enter total amt. of (if source is a grant, enter "G")
Grant/Loan Here Y, or N, or G

1. SOURCES OF FUNDS DURING CONSTRUCTION

a) HMFA 1st Mortgage, NOTE I		\$ 1,174,197
b) HMFA 1st Mortgage, NOTE II		\$ 3,141,000
c) HMFA Second Mortgage Subsidy Loan	\$1,600,000	\$ 1,600,000
d) HMFA Second Mortgage Bridge Loan	\$400,000	\$ 117,856
e) Middlesex County Affordable Housing Funds	\$500,000	\$ 450,000
f) Middlesex County HOME funds	\$1,250,000	\$ 1,175,000
g)		\$
h)		\$
i) Deferred Developer's Fee		\$ 387,447

TOTAL SOURCES OF CONSTRUCTION FUNDS:

\$ 1,845,700

2. USES OF FUNDS DURING CONSTRUCTION:

A. ACQUISITION COSTS:

- a) Land @ (1 per Acre)
- b) Building Acquisition
- c) Relocation
- d) Other

B. CONSTRUCTION COSTS

- a) Demolition
- b) Off site Improvements
- c) Residential Structures
- d) Community Service Facility
- e) Environmental Clearances
- f) Surety & Bonding
- g) Building Permits
- h) Garage Parking
- i) General Requirements
- j) Contractor Overhead & Profit
- k) Fire Suppression System
- l) Solar PV system
- m) Other

C. DEVELOPERS FEE

11.18% HMFA Policy is that the Developer fee is charged as a percentage of construction completion.

D. CONTINGENCY

- a) Hard Costs \$ 0.00%
- b) Soft Costs 1.500%

E. PROFESSIONAL SERVICES

- a) Appraisal & Market Study
- b) Architect
- c) Engineer
- d) Attorney
- e) Landscape Architect/Arbiter
- f) Environmental Consultant
- g) Financial Consultant
- h) Geotechnical Engineering Report
- i) Surveyor
- j) Professional Planner
- k) Other

F. PRE-OPERATIONAL EXPENSES

- a) Operator fees (pre-construction completion)
- b) Advertising and Promotion (pre-construction completion)
- c) Staffing and Start-up Supplies (pre-construction completion)
- d) Other

G. LENDING AND FINANCING COSTS DURING CONSTRUCTION

- a) Interest @ 5.400% for 18 mos on \$ 2,182,498 176,749
- b) H.F. Tax \$ 8,000 (per annum) 13,200
- c) Insurance \$ 50,000 (per annum) 75,000
- d) Title Insurance and Recording Expenses 10,000
- e) Points To Reduce HMFA Servicing Fee (Cumulative & Term Only) 1,174,397
- f) HMFA Second Note (Insurance Premiums & Term Only) 2% 2,191,000 43,871
- g) HMFA (ARM) Loan Serv Fee 0.10 % for 18 mos on \$ 2,182,498 22,740
- h) Other Lender Construction Financing Fee
- i) Tax Credit Fees
- j) Negative Arbitrage (if bonds are sold during construction)
- k) Cost of issuance (if bonds are sold during construction)
- l) Other
- m) Utility Connection Fees

Working Capital Estimate

- a) Trash Service & Operating Expenses
- b) Rental Agent Rent-up Fee (during Rent-up)
- c) Advertising and Promotion (during Rent-up)

Other Expenses

- a) Insurance (1/2 YR)
- b) Taxes (1 YR)
- c) Debt Service Payments & Servicing Fee for 1 Month
- d) Mortgage Insurance Premium (MIP) 1 year plus 1 month
- e) Repair & Replacement Reserve
- f) HMFA Operating Deficit Reserve
- g) Non Note Repayment Reserve
- h) Other
- i) Other

3. USES OF FUNDS DURING CONSTRUCTION:

4. BALANCE OF FUNDS NEEDED FOR CONSTRUCTION:

4. SOURCES OF FUNDS FOR PERMANENT CLOSE-OUT

V, or N, or G

a) HMFA Second Mortgage Bridge Loan	\$	282,144
b) LTIC Equity	\$	3,676,336
c) Middlesex County Affordable Housing Funds	A \$	50,000
d) Middlesex County HOME Funds	B \$	121,000
e) SIGNLIT Rebate	C \$	82,000
f)	\$	
TOTAL SOURCES FOR PERMANENT CLOSE-OUT	\$	3,211,500

5. USES OF FUNDS FOR PERMANENT CLOSE-OUT

A. DEVELOPER'S FEE	\$	
B. HMFA CONSTRUCTION LOAN PAYOFF	\$	3,191,000
C. Non-eligible Costs (ESTIMATE)	\$	
D. Cost of Insurance (ESTIMATE)	\$	
E. Tax Credit Fee	\$	27,300
F. Other	\$	
7. TOTAL of NUMBER C-F ABOVE	\$	3,218,300
8. BALANCE NEEDED TO CLOSE (over / short)	\$	
9. TOTAL PROJECT COSTS	\$	8,875,300
10. MAXIMUM MORTGAGE LOAN	\$	1,174,397

11. 55% of Basis Fee

Aggregate Basis	\$	7,024,750	(Check each line item for Eligibility)
55% of Basis (estimated):		4,356,610	
Less for Mfg. for Note		1,174,397	
Equals 1st Mfg. 2nd Note Needed		3,184,213	

12. REPAYMENT OF SECOND NOTE (if applicable)

Interest of _____	Principal \$	3,191,000	\$	2,876,350	LTIC
			\$	372,144	HMFA Bridge Loan
			\$	232,500	ABC
	Total \$	3,191,000	Total \$	3,191,000	

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

By: _____
(Developer or Authorized Signatory)By: _____
NIMFA Executive Director or Designee

SCHEDULE 10-C: OPERATING EXPENSES

Borrowing Entity: _____
 Dev Name: Robert Noble Manor

IDMFA# 1438
 Prepared by: Renee Gray
 Reviewed by: [Signature]
 Director of Property Management

09/12/07
9/12/07
 Date

I. ADMINISTRATIVE EXPENSE

Stationery & Suppl.	500
Telephone	1,200
Dues & Sub	
Postage	300
Insp. & Other Fees	
Advertising	500
Legal Services	2,000
Auditing (Year End)	8,500
Sec. Serv. Suppl.	3,000
Bookkeeping/Accounting	
Misc. Adm. Expenses	
Computer Charges	2,016
Other:	360
TOTAL \$	19,116

II. SALARIES & RELATED CHARGES

	# of Employees	Total Wages Inc. benefits
Superintendent	0.50	11,000
Janitorial		
Grounds & Landscaping		
Security		
Social Services		5,000
Site Office & Admin	0.25	7,500
Maintenance		
Utility Salaries		
Empl. Benefits		4,125
Empl. Payroll Taxes		2,750
Worker's Comp.		563
Other		
TOTAL \$	0.75	34,938

III. MAINTENANCE AND REPAIRS

Masonry	1,200
Carpentry	1,200
Plumbing	2,100
Electrical	2,100
Kitchen Equipment	
Elevator	
Windows & Glass	800
Vehicles & Equip	
Snow Removal	
Grounds & Landscaping	
Paint & Dec. Supl.	1,200
Small Equip. & Tools	500
Janit. Sup. & Tools	1,500
HVAC Supplies	600
Misc. Maint. Suppl.	500
Other	1,000
TOTAL \$	12,700

IV. MAINTENANCE CONTRACTS

Security	
Elevator	5,000
Rubbish Removal	5,000
Heating & AC Maint	3,000
Grounds, Parking & Landscaping	3,000
Water/Wastewater	2,000
Cyclical Apt. Painting	4,667
Other	
TOTAL \$	22,667

V. UTILITY EXPENSE

Water Charges	6,400
Sewer Charges	4,800
Electricity	3,800
Gas	2,100
Fuel	2,000
TOTAL \$	19,100

VI. REAL ESTATE TAX CALCULATION FOR TAX ABATEMENT

Gross Rents	\$	288,000
Less Vacancy	()	10,400
Less Utilities (if applicable)	()	19,100
Gross Sheltered Rents	\$	258,500
x Rate	x	2.50 %
Real Estate Taxes	\$	6,463

Off

ACTUAL TAXES IF NO P.L.O.T

SCHEDULE 10-D : ANTICIPATED GROSS RENTS

Mortgage Amount 1,174,397 HMA # 1496
Mortgage Interest Rate 5.55 % Prepared by Renee Granville 09/13/07
Term (years) 30 Yrs. The Interest rate has been Reviewed by _____
Amortization (Y.S.M) M reduced by: 13 basis points _____
GMR Area Middleclass as the Cost-of-Issuance is being paid out-of-pocket by the sponsor. _____
Date of Income Limits Chart Used: 3/20/07

ANTICIPATED GROSS RENTS[illegible]

* Indicate on a separate line which room is for the Superintendent
If it's rent-free, put \$0 in the Rent column

** Indicate "Low", "Med" or "Mkt" AND the percentage of median income
Low Income - 50% or less of median income
Modest Income - 50% to 80% of median income
Market Income - 80%+ of median income

NOTE: For Underwriting Purposes Only, Target Occupancy is based on (1) person per Bedroom
Where tenants pay their own utilities, a "utility allowance" must be subtracted
from the maximum chargeable rent when determining their rental charge.

NOTE: The percentage listed in this section is merely the percentage of the Gross
Rent as to the applicable Area Median Income.

EQUIPMENT AND SERVICES

(a) <u>Equipment:</u>	(b) <u>Services:</u>	<u>Gas, Fire, or Oil</u>	<u>Paid by Tenant</u>
Range	Hot Water	<u>Y</u>	<u>Y</u>
Refrigerator	Cooking	<u>Y</u>	<u>Y</u>
Air Conditioning	Air Conditioning	<u>Y</u>	<u>Y</u>
Laundry Facilities	Household Electric	<u>Y</u>	<u>Y</u>
Disposal	Water	<u>Y</u>	<u>Y</u>
Dishwasher	Sewer	<u>Y</u>	<u>Y</u>
Carpet	Parking	<u>Y</u>	<u>Y</u>
Drapes	Other	<u>Y</u>	<u>Y</u>
Swimming Pool	Owner	<u>Y</u>	<u>Y</u>
Tennis Court		<u>Y</u>	<u>Y</u>
Other		<u>Y</u>	<u>Y</u>

COMMERCIAL SPACE

(Include all utility costs associated with the commercial space in your description)

SCHEDULE 10-E : SUMMARY OF ANTICIPATED ANNUAL INCOME AND EXPENSES

Borrowing Entity: _____		HMT AB 1496
Dev. Name: Robert Noble Mann		Prepared by: Renee Graybill
		Reviewed by: <i>[Signature]</i>
		(Use in all reports. Management - (Reserves Only)

09/13/07
UPC

RENTAL INCOME		
Apartment Rents		\$ 288,000
Vacancy Loss (5.00 %)		14,400
NET APT. RENT'S		273,600
Commercial Income	per Sq Ft	\$
Garage & Parking	per Sq Ft	
Commercial Vacancy	%	
NET COMMERCIAL RENTALS		
TOTAL RENTAL INCOME		\$ 273,600
OTHER INCOME		
Laundry Machines		\$ 2,400
Other		
TOTAL OTHER INCOME		\$ 2,400
TOTAL REVENUE		\$ 276,000
EXPENSES		
Administrative (Schedule I)		\$ 19,110
Salaries (Schedule II)		34,938
Maint & Repairs (Schedule III)		12,700
Maint Contracts (Schedule IV)		22,667
Utilities (Schedule V)		19,100
Management Fee \$2.00 per unit		20,160
P.L.C.T. on Commercial Income () %		
Real Estate Taxes (Schedule VI)		6,363
Insurance \$600 per Unit		24,000
Reserve for Repair and Replacement \$23.00 per unit		17,000
TOTAL EXPENSES		4,401 \$ 176,041
NET OPERATING INCOME		\$ 99,957
DEBT SERVICE		
1. Principal and Interest		\$ 80,460
2. Morig & Bond Serv Fee 0.55 %		6,439
3. MIP %		
4. Debt Service on Other Mortgage Loans \$		\$
AGENCY DEBT SERVICE		\$ 86,919
DEBT SERVICE NOT TO BE CONSIDERED IN DSR		\$
TOTAL DEBT SERVICE		\$ 86,919
NET INCOME		\$ 13,038
Less Return on Equity (% on \$)		\$
Project Profit/Loss		\$ 13,038

DEBT SERVICE RATIO CALCULATION

DSR = $\frac{\text{NET OPERATING INCOME}}{\text{AGENCY DEBT SERVICE}}$ = 1.1500

New Mortgage Amount
1,174,197

[illegible]

MULTIFAMILY CASH FLOW

Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
568,393	565,445	603,008	621,088	539,731	658,923	678,691
<u>-28,420</u>	<u>-29,272</u>	<u>-30,150</u>	<u>-31,656</u>	<u>-31,967</u>	<u>-32,946</u>	<u>-33,925</u>
539,973	556,172	572,858	590,043	607,745	625,977	644,756
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
539,973	556,172	572,858	590,043	607,745	625,977	644,756
2,400	2,400	2,400	2,400	2,400	2,400	2,400
0	0	0	0	0	0	0
2,400	2,400	2,400	2,400	2,400	2,400	2,400
542,373	558,572	575,258	592,443	610,145	628,377	647,156
47,116	49,000	50,920	52,999	55,118	57,323	59,616
86,112	89,557	93,139	96,865	100,739	104,769	108,959
31,302	32,554	33,856	35,210	36,619	38,084	39,607
55,867	58,102	60,425	62,843	65,356	67,971	70,689
47,076	49,859	50,917	52,954	55,072	57,275	59,566
39,788	40,981	42,211	43,477	44,781	46,125	47,508
12,382	12,740	13,109	13,487	13,877	14,278	14,690
56,153	61,519	63,930	66,539	69,201	71,969	74,848
17,000	17,000	17,000	17,000	17,000	17,000	17,000
0	0	0	0	0	0	0
395,796	410,412	425,597	441,374	457,764	474,792	492,484
9,895	10,260	10,640	11,034	11,444	11,870	12,312
0.73	0.73	0.74	0.75	0.75	0.76	0.76
146,578	148,160	149,860	151,070	152,381	153,585	154,672
86,919	86,919	86,919	86,919	86,919	86,919	86,919
0	0	0	0	0	0	0
86,919	86,919	86,919	86,919	86,919	86,919	86,919
1.69	1.70	1.72	1.74	1.75	1.77	1.78
0.00	0.00	0.00	0.00	0.00	0.00	0.00
59,659	61,241	62,741	64,151	65,462	66,695	67,753
14,915	15,310	15,665	16,038	16,365	16,688	16,938
0	0	0	0	0	0	0
44,744	45,931	47,056	48,113	49,096	49,999	50,815
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0



September 5, 2007

South Amboy Renaissance Corporation
C/O Joseph M. Selzer
The Jaymarc Company, LLC
16 Lombard Drive
West Caldwell, NJ 07006

RE: Robert Noble Manor

Dear Mr. Selzer:

The purpose of this letter is to outline the basic terms and conditions under which an equity fund or funds (the "Fund") of which Enterprise Community Investment, Inc. ("Enterprise") is general partner, would make an equity investment in the Robert Noble Manor project (the "Project") located in South Amboy, New Jersey.

A. The Project

The Project consists of the new construction of 40 apartment units in 1 building. Construction is expected to begin by December 1, 2007 and expected to be substantially complete by January 1, 2009. The Project will be owned by a limited partnership (the "Partnership"). One hundred percent of the units will qualify for the federal low-income housing tax credit (the "Federal LIH Credit") as provided for in Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). The Partnership will operate the Project in accordance with any applicable HUD or other federal or state regulations.

B. Partnership Interest

The Partnership will have as its general partner, a for-profit subsidiary of South Amboy Renaissance Corporation, (the "General Partner") with a 0.01% partnership interest. The sponsor will be the South Amboy Renaissance Corporation (the "Sponsor"). The Fund will be the investor limited partner (the "Limited Partner") with a 99.99% partnership interest.

C. Summary of Compensation

1. The Sponsor will receive a developer's fee in the amount of \$800,000, of which \$574,385 is projected to be paid out of equity, as detailed in Exhibit A below, and \$225,615 is projected to be deferred and paid from project cash flow.
2. The General Partner will receive 0.01% of all tax credits allocated to the Project over 10 years.
3. The General Partner will be entitled to 90% of sale proceeds from the Project after certain priority payments outlined in Section G.
4. The General Partner will receive 0.01% of ordinary profits and losses and 90% of Cash Flow and profits attributable to such Cash Flow.

The sum of all cash flow fees and distributions paid to the Sponsor and affiliates should not be projected to exceed 90% of available cash flow.

D. Capital Contributions

The Limited Partner proposes to make an equity investment in the Partnership of \$2,682,000. This equity contribution represents a price of \$0.97 cents on 100% of the 10-year Federal LIH Credit amount, assuming an annual allocation of \$276,458. We anticipate that the Limited Partner will be admitted to the Partnership on or about December 1, 2007. Subject to the satisfaction by the General Partner and/or Sponsor of all of the conditions contained in this letter, and the additional conditions which may result from the underwriting of the Project, the Limited Partner's Capital Contributions shall be payable in installments in accordance with the following:

First Payment. Admission Date.

Second Payment. Latest of: (a) Completion Date (including, without limitation, receipt of permanent certificates of occupancy for 100% of the Units and inspection by the Limited Partner or its designee, which must be satisfied that the buildings have been completed in accordance with the relevant Project Documents); (b) receipt and approval of Cost Certification by Enterprise; (c) receipt by Enterprise of evidence that there are no recorded mechanics liens that have not been released or bonded against so as to preclude the holder of such lien from having any recourse to the Partnership Property, the Project, any of the Units, or the Partnership for the debt secured thereby; (d) delivery of the Partnership's tax returns (including K-1s) and audited financial statements for 2007; (e) receipt by Enterprise of copies of all insurance binders (including title insurance) on the Partnership Property acceptable to Enterprise; (f) receipt by Enterprise of a copy of the Extended Use Agreement with recording information from the city/county in which the Property is located; (g) Enterprise's receipt of executed PILOT agreement or evidence that application for tax abatement for the Property has been filed with the appropriate party in a timely manner, if applicable; (h) receipt by Enterprise of evidence that all Partnership reserve accounts required on Exhibit A-6 of the Limited Partnership Agreement have been established; (i) receipt and approval by Enterprise of an acceptable Radon Report for each building in the Partnership Property, together with evidence of mitigation, if required; (j) the delivery to Enterprise of all post-closing items

listed on Exhibit N of the Limited Partnership Agreement, satisfaction of the conditions to all prior Capital Contributions and receipt by Enterprise of all outstanding reporting items; or (l) January 1, 2009.

Third Payment. Latest of: (a) receipt and approval by Enterprise of IRS Form 8609; (b) achievement of the Stabilization Date (including 3 months of Break-even and 3 months following 95% occupancy and 95% rent potential); (c) receipt by Enterprise of the Partnership's projection of the Projected Credits prepared pursuant to Section 3.03(a) and 3.03(c); (d) delivery of the Partnership's tax returns (including K-1s) and audited financial statements for 2008; (e) achievement of Required Debt Service Coverage; (f) the end of the Lease-up Period (including achievement of 100% Qualified Occupancy); (g) Enterprise's receipt of executed PILOT agreement, if applicable; (h) Enterprise's receipt and approval of all initial Tenant Income Certifications (including first and last page of lease and third party confirmation); (i) receipt by Enterprise of evidence of the General Partner's Section 168(h)(6)(F) election; (j) the satisfaction of all the conditions to all prior Capital Contributions and receipt by Enterprise of all outstanding reporting items; or (k) October 1, 2009.

Fourth Payment. Latest of: (a) Loan Conversion and delivery of all executed loan documents related thereto; or (b) January 1, 2010.

After the initial payment, all subsequent payments will be contingent upon the satisfaction of all the conditions to all prior payments and receipt by Enterprise of all outstanding reporting items. All subsequent payments will also be contingent upon certain representations and warranties to insure the Project's viability, including: a) 100% of the units (0% for the second installment) qualify for the Federal LIH Credit and the operation of the Project in all respects complies with the Code; b) no existing, pending or threatened foreclosure of the Project; c) all of the General Partner's representations, warranties and covenants contained in the Partnership documents remain true and correct including but not limited to an environmental representation and warranty substantially as described in Exhibit B; d) no default exists under any of the Project's financing documents; e) no breach of the Partnership documents has occurred which would have an adverse effect on the Partnership, the Partners or the Partnership property; and f) the General Partner has made all advances and reserve deposits required by the Partnership documents.

E. Credit Adjuster

The Limited Partner's capital contributions are subject to adjustments as follows:

1. At cost certification and issuance of IRS Form(s) 8609: the aggregate capital contributions will be reduced by \$0.97 for every dollar of reduction in the amount of Federal LIH Credits available to the Partnership as compared to the projected amount of Federal LIH Credits. If the unpaid capital contributions are insufficient to cover a required adjustment, the General Partner will be required to make a cash contribution up to the amount of any deficiency.

In the event that the cost certification and Form 8609s support a Federal LIH Credit amount in excess of the projected amount, the aggregate capital contributions will be increased by \$0.97 for every additional dollar of Federal LIH Credit compared to the projected amount, but not in excess of 10% over the original projected amount, and such increased contribution shall be payable as part of the Fourth installment.

2. First Year Credit Amount: if the Project does not deliver \$218,862 of Federal LIH Credits in 2009, the Third and/or Fourth Capital Contributions will be reduced by \$0.97 for every

dollar by which the Federal LIH Credit amount is less than such amount, minus the net present value of any additional credit available in the 11th year (discounted at 10% per annum). If the unpaid capital contributions are insufficient to cover a required adjustment, the General Partner will be required to make a cash contribution up to the amount of any deficiency.

If the project delivers Federal LIH Credits in excess of the amount projected for 2009, the total capital contribution will be increased by \$0.42 for every additional dollar of Federal LIH Credit delivered in excess of the projected amount. Any additional equity paid under this clause will be paid at the later of 1) the fourth capital contribution, 2) evidence that the extended use agreement has been recorded in the year in which Federal LIH Credits are to be taken, 3) 8609s have been delivered to the Limited Partner, and 4) if the increase in first year Federal LIH Credits results in any loss of Federal LIH Credits due to the 2/3 rule, the increase will be further adjusted to take into account such a loss of Federal LIH Credits.

3. If (i) in any year during the fifteen year of the compliance period after the project achieves initial 100% qualified occupancy, the actual Federal LIH Credits received are less than 100% of the Federal LIH Credits as projected at cost certification and issuance of IRS Form(s) 8609, or (ii) if there is recapture of Federal LIH Credits, then the Limited Partner's capital contribution will be reduced by \$0.97 of any reduction in the amount of Federal LIH Credits plus any interest and penalties imposed by the IRS. Total reductions under this adjuster shall be limited to the amount of the developer fee. If the unpaid capital contributions are insufficient to cover a required adjustment (including interest and penalties), the General Partner will be required to make a cash contribution to the Partnership up to the amount of the developer's fee. Any further credit deficiencies will be paid as a priority from available cash flow and from capital proceeds upon sale of the Project. If it is determined that an adjuster will be applicable in subsequent years, the full adjuster for the future years will be made at the time of the initial determination.

F. Operating Benefits

The General Partner will be entitled to 0.01% of ordinary profit, losses, tax credits and cash flow available for distribution (as defined in the Partnership documents), and the Fund will be entitled to 99.99%.

G. Disposition of Property

It is the express objective of the Fund to identify and implement strategies so that the projects in which it invests are maintained permanently as low income housing. If the General Partner agrees to maintain the Project as low-income housing, as defined in the Code, for at least an additional 15 year period after the initial 15-year compliance period the General Partner shall have the following options at the end of the compliance period:

1. Purchase of the Limited Partner's Interest

The General Partner will have the option to purchase the Limited Partner's interest in the Partnership for a price equal to the greater of (i) the appraised value of the Limited Partner's interest assuming that the Project remains available for low-income use, or (ii) the total

amount of any taxes payable by the Limited Partner as the result of the sale.

2. Right of First Refusal

South Amboy Renaissance Corporation, or another designated 501(c) (3) corporation approved by Enterprise, may have a right of first refusal which will allow the non-profit to purchase the Project for a price equal to the sum of: 1) any taxes payable by the Limited Partner that result from the sale, and 2) any outstanding debt. In the event of such sale to a designated non-profit, no return of Limited Partner capital is required.

H. Sale or Refinancing

The net proceeds of a sale or refinancing of the Project will be shared as follows:

First, to pay any taxes owed by the Limited Partner that result from the sale or refinancing;

Second, to the Limited Partner the amount of any unpaid credit adjusters;

Third, to the Limited Partner the amount of any unpaid investor services fees;

Fourth, to the General Partner to repay any operating deficit contributions and credit adjuster advances; and

Fifth, 10% to the Limited Partner and 90% to the General Partner.

I. General Partner Obligations

1. Guarantees

A) South Amboy Renaissance Corporation and/or other entities with assets acceptable to the Limited Partner will be responsible for guaranteeing lien-free construction completion, all cost overruns during construction, payment of all development costs, and closing and/or conversion of permanent financing at the amounts and terms shown in the projections. Advances under this guarantee will be unreimbursable.

B) South Amboy Renaissance Corporation and/or other entities with assets acceptable to the Limited Partner will be obligated to advance funds needed to cover all operating deficits until the project has achieved three consecutive months of breakeven operations following the achievement of 95% occupancy and actual rental income of at least 95% of projected rental income.

C) South Amboy Renaissance Corporation and/or other entities with assets acceptable to the Limited Partner will be obligated to advance funds needed to cover all operating deficits after 95% lease-up up to a maximum of \$200,000 until the project has operated at break-even for three consecutive years following initial achievement of three consecutive months of breakeven operations (including all must-pay debt service), and the Partnership Operating Reserve is fully funded and has a balance of at least \$60,000.

D) South Amboy Renaissance Corporation and/or other entities with assets acceptable to

the Limited Partner will be obligated to guarantee the payment of all cash contributions related to credit adjusters as described in Section E above.

E) South Amboy Renaissance Corporation and/or other entities with assets acceptable to the Limited Partner will be obligated to repurchase the Fund's interest in the Partnership if: i) the Partnership does not qualify for Federal LIH Credits on the entire eligible basis of the project because less than 50% of the aggregate basis of the project was financed with tax exempt bonds as required in Code Section 42 (h)(4), ii) fails to receive IRS forms 8609s by July 1 of the year following the year the Project is placed in service, iii) fails to reach the minimum set-aside test for the Project prior to the end of 2009, iv) fails to achieve closing and/or conversion of permanent financing, or v) fails to meet other performance benchmarks relative to project operations, as further detailed in the project's partnership agreement.

2. Reserve Requirements

A) The General Partner will be required to establish a Partnership Operating Reserve account in the total amount of \$60,000. The Partnership Operating Reserve will be available to fund operating deficits after the Project has achieved three consecutive months of breakeven operations following the achievement of 95% occupancy and actual rental income of at least 95% of projected rental income. The General Partner will be permitted to use the Partnership Operating Reserve prior to making Operating Deficit Contributions to the extent the Partnership Operating Reserve has been funded as of the date of the deficit. The Partnership Operating Reserve will be held in an account requiring the joint signatures of the General Partner and the Limited Partner. The Partnership Operating Reserve will be established from the Limited Partner's capital contribution as detailed in Exhibit A.

B) The General Partner will establish a Lease-Up Reserve in the amount of \$86,206. The reserve will be available to fund operating deficits during the lease-up period. Funds remaining in the lease-up reserve after the initial lease-up period will be deposited into the Operating Reserve.

C) The General partner will establish a Replacement Reserve for the Project. The Replacement Reserve will be funded from project operations in the amount of \$300 per unit per year, increasing 3% annually. The Replacement Reserve will be held in an account requiring the joint signatures of the General Partner and the Limited Partner.

J. Legal Costs and Fees

1) The Project Partnership will pay its attorneys, and the Limited Partner will pay its attorneys. The Limited Partner's attorneys will prepare an Amended and Restated Partnership Agreement, conduct the collection of relevant and necessary due diligence according to a due diligence checklist, and prepare the Limited Partner's tax opinion. The General Partner and the Project Partnership's attorneys will prepare all other necessary documents, due diligence, legal opinions and other tasks necessary to complete the transaction.

2) The Partnership will pay the Limited Partner an investor services fee of \$2,500 (increasing 3% annually). Payment of the investor services fee will be made after operating expenses, must-pay debt service, and replacement reserve contributions, but before any deferred

development fee payments or cash flow fees to the sponsor, with any unpaid investor services fee to accumulate and to be paid as a priority from subsequent years' cash flow and sales proceeds.

The Limited Partner will charge no other syndication or broker fees to the Project.

K. Opinion of Counsel

The Fund will require an opinion of counsel satisfactory to the Fund on certain corporate, securities, and other matters including: formation of the Partnership, limited liability of the Limited Partner, no conflict between the Partnership Agreement and other binding contracts, no litigation, etc. Tax opinions required by the Fund will be provided by its counsel.

L. Additional Requirements

In addition to the conditions set forth above, any investment by the Fund is contingent upon a) an award of tax exempt bond authority from the New Jersey Housing & Mortgage Finance Agency and a bond inducement resolution issued by the New Jersey Housing & Mortgage Finance Agency b) evidence that the project qualifies for Federal LIH Credits in the amount of \$276,458 because 50% or more of the project is financed with tax exempt bonds subject to the volume cap, as provided in Section 42(h)(4)(B) of the Code (including but not limited to documentation that the project satisfies the requirements of the New Jersey Qualified Allocation Plan as required by Section 42(m)(1)(D) of the Code and satisfies the feasibility requirements pursuant to Section 42(m)(2)(D) of the Code), c) evidence of market demand and appropriate rent and operating expense assumptions, d) approval of the management agent and management plan, e) acceptable commitments from all other sources of financing, f) receipt of a satisfactory Phase I Environmental Assessment including radon, lead based paint and asbestos reports, as applicable g) satisfactory negotiation of the Partnership Agreement, h) review and approval by the Limited Partner of all other relevant due diligence documents, i) investor approval and (j) review and approval of all financing documents and receipt and approval of all opinions outlined herein.

The pricing of the Federal LIH Credits and the other terms and conditions set forth herein are based on the transaction being consistent with the assumption set forth in Exhibit A and the closing of the transaction occurring on or before December 31, 2007. In the event that the transaction is not consistent with the assumptions or the closing date is delayed, Enterprise reserves the right to modify the terms and conditions of the investment by the Fund.

Sponsor acknowledges that upon execution of this letter, Enterprise shall commence its underwriting process and due diligence review and will have its outside counsel commence the preparation of the transaction documents. In consideration for Enterprise commencing such undertakings General Partner agrees that Enterprise shall have exclusive right to syndicate the Federal LIH Credits. This exclusive right to syndicate shall terminate if the Fund has not become a limited partner in the Partnership on or before April 1, 2008.

Robert Noble Manor

09/05/07


Page 8

If the terms and conditions set forth above are acceptable to you, please countersign this letter where indicated below and send one fully executed copy to me. Upon receipt of a fully executed letter we will commence the due diligence and documentation process.

We look forward to working with you.

Sincerely,

ENTERPRISE COMMUNITY INVESTMENT,
INC.



Kirk Goodrich
Vice President

Agreed and accepted:

By: _____

Title: _____

EXHIBIT A: PROJECT ASSUMPTIONS

The terms and conditions set forth in the Commitment Letter including pricing of the Federal LIH Credits are based on the following assumptions:

I. Operations

Rents will meet the restrictions imposed by the Federal LIH Credit Program in addition to any other applicable restrictions imposed on the project.

Based on the General Partner's projections, approximate annual operating expenses of \$4,219 per unit net of Replacement Reserves and Investor Services Fee.

1. Vacancy rate of 7%.
2. Property management fee of approximately \$19,456 per year.

II. Uses of Equity Payments:

	<u>Initial Payment</u>	<u>2nd Payment</u>	<u>3rd Payment</u>	<u>4th Payment</u>	<u>Total</u>
Project Costs				\$2,047,615	\$2,047,615
Developer Fee	\$114,877	\$229,754	\$172,316	\$57,439	\$574,385
Rent-up Reserve	FUNDED BY NJHMFA				
Operating Reserve			\$60,000		\$60,000
Total	\$114,877	\$229,754	\$232,316	\$2,105,054	\$2,682,000

III. Sources of Financing:

<u>Financing Source</u>	<u>Interest Rate</u>	<u>Amort/Term</u>	<u>Amount</u>	<u>Comments</u>
Permanent Tax-Exempt Bond	5.70%	30	\$809,907	Fully Amortizing
Home Express	1.00%	30	\$2,000,000	Cash Flow Contingent 50% Available Cash Flow
Middlesex County	0.10%	30	\$500,000	Cash Flow Contingent Sponsor Pass-Through Loan
Middlesex County HOME	0.10%	30	\$2,000,000	Cash Flow Contingent Sponsor Pass-Through Loan
Solar Rebate	n/a	n/a	\$170,000	GP Capital

Deferred Developer Fee	0.00%	15	\$225,615	Deferred Fee
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This financing structure assumes that the Fund's counsel concludes that any accruing debt does not jeopardize the Partnership's tax ownership of the property or the treatment of the mortgage loans as debt at the stated interest rate.

Priority uses of operating income:

- 1) ordinary operating expenses including management fee to project's management agent
- 2) required contributions to replacement reserves
- 3) first mortgage debt service
- 4) 50% to Home Express Loan
- 5) investor services fee
- 6) replenishment of operating reserve to required level, if necessary
- 7) deferred development fee – cash flow
- 8) Middlesex County HOME – cash flow
- 9) Middlesex County – cash flow
- 10) Cash flow distribution

IV. Additional Assumptions

1. A 2007 allocation of Federal LIH Credits.
2. A tax credit percentage of 3.52%.
3. The Project contractor will provide a 15% letter of credit or 100% payment and performance bond.
4. We have assumed 40 year depreciation. Failure to make the appropriate elections (including elections under 168(h)) necessary to utilize this depreciable life, if applicable, will result in an adjuster.
5. We have assumed that the financing and tax structure will be approved by our tax attorney.
6. The project will have no rental subsidy.

EXHIBIT B

Environmental Representations, Warranties and Covenants

The Partnership has received an environmental assessment report and has delivered a complete copy to the Limited Partner. No amendments, modifications or other changes or additions have been made to such report.

The General Partner warrants and represents that, to the best of The General Partner's knowledge, after diligent inquiry, there presently are not in, on, or under the Project, nor will there be in, on, or under the Project, upon completion of the construction: (I) any "hazardous substance" as that term is defined under the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. section 9601, et seq., as amended ("CERCLA"), or any other hazardous or toxic substance, waste or material or any other substance or pollutant that poses a risk to human health or the environment, including, but not limited to petroleum in any form, lead-based paint, asbestos, urea formaldehyde insulation, methane gas, polychlorinated biphenyls ("PCBs") or radon, except for ordinary and necessary quantities of office supplies, cleaning materials and pest control supplies stored in a safe and lawful manner and petroleum products contained in motor vehicles (the "Hazardous Materials"); (ii) any underground storage tanks; (iii) accumulations of debris, mining spoil, spent batteries, except for ordinary garbage stored in receptacles for regular removal; (iv) or any other condition which could result in liability for an owner or operator of the project under any federal state or local law, rule, regulation or ordinance. If any such substance (including lead-based paint and asbestos) or pollutant was found to exist or be present, it has been either removed from the Partnership Property and disposed of or encapsulated and/or otherwise corrected, contained and made safe and inaccessible, all in strict accordance with federal, state and local laws, rules and regulations, any recommendations set forth in the environmental report(s) approved by the Limited Partner and any requirements in the Loan Documents.

The General Partner further warrants and represents to the best of The General Partner's knowledge that the Project is in compliance with all applicable federal, state and local laws, rules, regulations and ordinances (the "Environmental Laws"), including, but not limited to, CERCLA, the Clean Air Act, the Clean Water Act, the Toxic Substance Control Act, the Resource Conservation and Recovery Act, the Safe Drinking Water Control Act and the Occupational Health and Safety Act, and The General Partner has not received notice of any violations of the Environmental Laws. The General Partner covenants and agrees to take all necessary action within its control to ensure that the Project is in compliance with the Environmental Laws at all times and that the Project remains free from the presence of any Hazardous Materials in, on, or under the Project. The General Partner shall promptly deliver any notice it may receive of any violation of the Environmental Laws to the Partnership.

At any time during the term of the Partnership that the Limited Partner determines that the foregoing representations may not have been true when made, or may have become untrue, the Partnership shall promptly obtain an environmental audit of the Project. The scope of such audit and the company performing it shall be determined by The General Partner with the Consent of the Limited Partner.

The General Partner agrees to indemnify and hold harmless the Limited Partner and any partner of the Limited Partner (the "Indemnified Parties") from any and against all claims, actions, causes of action, liability and expense (including, without limitation, attorney's fees, court costs and remedial response costs) incurred or suffered by, or asserted by any person, entity or governmental agency against the Indemnified Parties due to breach of The General Partner's representations, warranties or covenants, or a violation of the Environmental laws, or the presence of Hazardous Materials in, on, or under the Project. The foregoing indemnification shall be a recourse obligation of The General Partner and shall (to the full extent permitted by law) survive the dissolution of the Partnership and the death, dissolution, retirement, incompetency, insolvency, bankruptcy or withdrawal of The General Partner of the Partnership.

Appendix D

*Rehabilitation- Middlesex
County Program*

MIDDLESEX URBAN COUNTY HOUSING
PRESERVATION PROGRAM

OPERATION MANUAL

MARCH 1, 1990 EDITION

AMENDED JULY, 1999

AMENDED APRIL, 2000

AMENDED MARCH, 2001

AMENDED MAY, 2005

AMENDED JANUARY, 2007

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I. PROGRAM OBJECTIVE AND DESCRIPTIONS

The Middlesex Urban County Housing Preservation Program's (M.U.C.H.P.P.) main intent is to provide a housing program which would address the problem of housing deterioration, lead based paint, blight and code violations in the County's existing housing stock.

This program is basically designed to assist low-income homeowners with both technical and monetary assistance in order to upgrade their homes. The main focus of the program is to provide an incentive for individuals to improve the overall condition of their dwellings and to correct the safety, health and code violations existing in them.

During the twenty-eight years of the program's existence, more than one thousand (1,000) homes have been rehabilitated, and eleven million dollars (\$11,000,000) has been expended. The program presently services nineteen (19) communities that comprise the Urban County.

Eligible applicants can receive up to twenty-five thousand dollars (\$25,000) in the form of a Life Loan. The Life Loan is a modified mortgage (lien), which is recorded against the property stating that, as long as the applicants are living and reside in the rehabilitated structure and do not sell it or change title, there is nothing to repay.

As such time as the property title changes hands, the applicants or their heirs must repay the principal amount of the loans to Middlesex County, along with 2 ½ % simple interest rate for the life of the loan, or loans incurred after April 16, 1998. The terms of any mortgages made prior to this date shall not change. The loan pays for rehabilitation work not addressing Lead Based Paint detection and treatment.

There are no penalties, fees or monthly payments and the mortgage can run for an indefinite period of time.

Work specifically addressing Lead Base Paint correction and treatment will be given to the applicants in the form of a grant in conjunction with the loan. The amount of the grant will be calculated by the staff and will not exceed seven-thousand five-hundred dollars (\$7,500). Applicants will not be held responsible for the payment of any Lead Based Paint testing performed on their property.

The program provides the homeowner with technical advice. Other potential sources of additional rehabilitation funds are also described to homeowners so that they will have the broadest, most comprehensive assistance available to enable them to upgrade their homes.

The high degree of professionalism and quality of rehabilitation work have made this a most successful and beneficial program for the residents of Middlesex County. It represents a prototype of government's concern and resourcefulness in the area of housing needs.

II. APPLICATION SUBMITTAL

All M.U.C.H.P.P. applications are submitted to the office to be recorded with the program. Applications may either be directly submitted by applicants or sent through a local contact.

III. APPLICATION ELIGIBILITY

Applications are screened to ascertain eligibility. Eligibility status is established when applicants meet the following criteria and is updated periodically.

1. Gross household income meets program guidelines. See chart:

2007 Housing Rehab Income Figures

Family Size:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
\$38,000	\$43,000	\$48,500	\$ 53,500	\$57,500	\$63,000	\$68,500	\$74,000

NOTE: Gross household income is determined and defined by all regular gross income and/or contributions of all household members over eighteen (18), except full-time students. Heads of households, sixty-two (62) or handicapped, will have ten percent (10%) of the gross income subtracted, making it slightly easier for them to qualify.

For program purposes, the following items consist of income which will be calculated an used to determine income eligibility for the program: Social Security Benefits, Disability, Workman's Compensation, Unemployment Benefits, all Salaries, Wages and Earnings, Child Support, Alimony, Welfare, Rent, Pensions, Interest and Dividends, plus any other substantive income.

Gross household income will be calculated over a twelve (12) month period and must be verified for our files. Copies of Tax Returns and other documentation are acceptable. Written notes, letters, and W-2 Forms alone are unacceptable.

2. Applicants must be the owner/occupant of the structure to be rehabilitated. It must be a primary residence. Verification of ownership is determined by means of a Title Search performed by the County. Property taxes must be current.

Projects may only be located in eligible communities served by MUCHPP. They are as follows:

Spotswood

Carteret	Jamesburg	Piscataway	Spotswood
Cranbury	Metuchen	Plainsboro	
Dunellen	Middlesex	South Amboy	
East Brunswick	Milltown	South Brunswick	
Helmetta	Monroe	South Plainfield	
Highland Park	North Brunswick	South River	

3. The structure must have no more than two (2) dwelling units (apartments). Unoccupied structures, investment properties and commercial properties are ineligible.
4. All rehabilitation work must be of an eligible nature and acceptable to the program. Examples of eligible items are as follows: lead based paint testing, plumbing, electrical, roofing, storm windows and doors, primary window and door replacements, painting, masonry, heating, winterization, structural repairs to the existing structure, siding – when deemed necessary by the staff, and any other activities for the correction of code, safety and any other activities for the correction of code, safety and health violations. All rehabilitation work must comply with applicable codes.

Some common ineligible activities and items are as follows: repair and/or replacement of appliances, including built-in ovens and central air conditioning, landscaping, additions and modifications to the existing structure, such as, dormers, closing in breezeways and carports, detached garages and other structures, cosmetic work, preventive maintenance, and any other work considered unnecessary by the program at time of inspection.

Any applicant who does not meet all of the stated eligibility criteria will be deemed ineligible for assistance through the program, and his application will be terminated.

Applicants have the option to end participation in the program any time prior to the actual initiation of work, without penalty.

At this time, applicants must wait a period of five (5) years after the completion of their rehab project before they are eligible to reapply for any further assistance.

IV. INSPECTIONS AND COST PROPOSALS

Inspections are performed by staff Cost Estimators in order to specify eligible work to be performed. Specifications prepared by the Cost Estimators are sent to the applicant for review and approval. It is the responsibility of the home owner to obtain three (3)

proposals from general contractors certified in "Safe Work Practices". Specifications cannot be altered or deviated from after the applicant has approved them and a period of not more than ninety (90) days is allotted the applicant to obtain these proposals. Projects are awarded to the owner's choice of contractor who is not more than 10% above and no less than 20% below the in-house estimate.

All projects will be tested for the presence of Lead Based Paint by a certified laboratory. The findings will be made part of the project's specifications and must be addressed and corrected as part of the rehabilitation work if necessary.

Contractors must submit proof of and carry the required liability insurance, workman's compensation coverage and certified in "Safe Work Practices".

V. DELETIONS AND ADDITIONAL FUNDS

If the cost of a project exceeds the maximum of \$25,000, the applicant has the option of either deleting the work to be performed down to a figure of \$25,000 or less; or, submit the work performed as specified.

Any specification changes must be worked out in the form of a WORK CHANGE ORDER by the applicant, contractor, and Cost Estimator representing the program. This document will specify what will remain, be modified, and deleted from the project. **NOTE:** Code violations must be corrected as required and work pertaining to these items will be given priority.

The submittal of additional money for rehabilitation work will be turned over to the Treasurer's office for deposit into an escrow account which is designed and designated specifically for the housing rehabilitation program and its applicants. These additional dollars must be received by the County prior to contract signing.

VI. FREEHOLDER APPROVAL

After projects have been reviewed by the staff and Executive, Director, the Board of Freeholders is requested to give approval for the funding of each housing rehabilitation project by means of a Formal Resolution.

Requests for the amending and rescinding of previously approved resolutions, is handled in the same manner.

Middlesex County Counsel is supplied with contracts for each of the projects for their

review and records.

Additional material is also sent to the County Treasurer, County Administrator, and County Comptroller.

A project folder of each of the applicants, along with any duplicate material regarding their projects, is filed in the office.

VII. CONTRACT AND LIFE LOAN SIGNING

Upon Freeholder approval, the applicants and general contractor are asked to meet with the program's staff to review and sign the contracts (Certification of Funds), and Life Loan (Mortgage), so that work can be initiated as soon as possible.

The Life Loan is also signed at this time by the applicant along with the Director of the program representing Middlesex County. The Life Loan is for the amount of money which the County awards the applicant, up to a limit of twenty-five thousand dollars (\$25,000), and is placed as a lien against the applicant's property by the County.

As of April 16, 1998, a two and one half percent (2.5%) simple interest rate, has been incorporated into the repayment of the Life Loan. The terms of any mortgage made prior to this date shall not change.

The applicant receives copies of all pertinent documents for his own records. All original resolutions and Life Loans remain on permanent file with the program.

VIII. IN-PROGRESS INSPECTIONS AND FINAL PAYMENTS

In-progress inspections are performed periodically by the County's Cost Estimator to insure that proper workmanship and progress is maintained. There is no set number of inspections to be made while a project is in progress.

At completion of a project, the general contractor contacts the Cost Estimator to perform a final inspection of the project prior to payment.

The program does not make any down payments or provisions for "up-front money" for any of its projects. Contractors are required to be able to carry the job financially until its completion before receiving any payment.

The Cost Estimator proceeds to arrange a final inspection in which he meets with the applicant and general contractor to inspect all of the work that has been performed. This inspection will assure the proper quality of workmanship, and verify that the applicant is satisfied with the project.

At this time, the contractor and applicant sign the various sections of the final payment packet and accompanying voucher, in order to have a check issued for payment of the project. Both the Cost Estimator and Program Director will sign off on the paperwork

also.

All payment checks are issued as two-party checks, made payable to the applicant and general contractor. This arrangement guards against payments to contractors who have not satisfied their obligations to the program, and/or applicants.

During periods of disagreement between the contractor and applicant, the Cost Estimator serves as a mediator between the two parties to achieve a sensible and equitable solution to the problem at hand.

General contractors can be removed from a project for failure to meet their contractual responsibilities and well as applicants who do not meet their contractual responsibilities.

While the project is in progress and at its completion, the contractor is responsible for obtaining all permits, and for insuring that inspections are performed by local inspectors.

IX. ALTERNATIVE FINANCING

In addition to the Life Loan, the program may also assist applicants in obtaining additional rehabilitation funds through other programs of which the staff is aware.

Other financial information and suggestions are also offered to applicants by staff personnel in an attempt to provide as much comprehensive assistance as possible.

X. SUBORDINATION OF MORTGAGE

Requests for the subordination of a County held mortgage is performed on a case by case basis and is not done automatically upon request. All applicants agree to a Notification of Subordination which addresses the County's right to obtain and review necessary documentation. The County also retains the right to a monetary consideration for time spent by County Personnel in regard to processing these documents.

A Subordination of Mortgage is not considered a normal County function, but rather an additional service that the County may provide. This is seen as a personal financial matter and not a mandated public service that the County must enter into. The County reserves the right to deny any subordination request found not to be in the County's best interest.

XI. DISPUTES AND DISAGREEMENTS

Any contractual disputes or disagreements that cannot be amicably settled between parties will be referred to the Office of County Counsel for legal review. It will be left to their discretion whether to have the parties enter into formal arbitration or to pursue another legal format to resolve the issue.

XII. ENVIRONMENTAL FACTORS CHECKLIST

A review of each project's Noise Abatement Requirements, Historic Property Designation and Flood Zone Location will be performed by program staff and made note of in each project file.

The program will have each project reviewed by the State Historic Preservation Office (SHPO) and Middlesex County's own Inventory of Historic Properties for historic designation.

Lead Based Paint Testing will be conducted on all rehabilitated properties according to HUD and New Jersey EPA Regulations. Applicants will be provided with current notifications of lead based paint hazards and "Safe Work Practices" will be implemented for all rehabilitation projects funded after September 15, 2000.

Appendix E

Development Fee Ordinance

**DRAFT... City of South Amboy
Development Fee Ordinance**

1. Purpose

- a) In Holmdel Builder's Association V. Holmdel City ship, 121 N.J. 550 (1990), the New Jersey Supreme Court determined that mandatory development fees are authorized by the Fair Housing Act of 1985 (the Act), N.J.S.A. 52:27d-301 et seq., and the State Constitution, subject to the Council on Affordable Housing's (COAH's) adoption of rules.
- b) Pursuant to P.L.2008, c.46 section 8 (C. 52:27D-329.2) and the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7), COAH is authorized to adopt and promulgate regulations necessary for the establishment, implementation, review, monitoring and enforcement of municipal affordable housing trust funds and corresponding spending plans. Municipalities that are under the jurisdiction of the Council or court of competent jurisdiction and have a COAH-approved spending plan may retain fees collected from non-residential development.
- c) This ordinance establishes standards for the collection, maintenance, and expenditure of development fees pursuant to COAH's regulations and in accordance P.L.2008, c.46, Sections 8 and 32-38. Fees collected pursuant to this ordinance shall be used for the sole purpose of providing low- and moderate-income housing. This ordinance shall be interpreted within the framework of COAH's rules on development fees, codified at N.J.A.C. 5:97-8.

2. Basic requirements

- a) This ordinance shall not be effective until approved by COAH pursuant to N.J.A.C. 5:96-5.1.
- b) *City of South Amboy* shall not spend development fees until COAH has approved a plan for spending such fees in conformance with N.J.A.C. 5:97-8.10 and N.J.A.C. 5:96-5.3.

3. Definitions

- a) The following terms, as used in this ordinance, shall have the following meanings:
 - i. **"Affordable housing development"** means a development included in the Housing Element and Fair Share Plan, and includes, but is not limited to, an inclusionary development, a municipal construction project or a 100 percent affordable development.
 - ii. **"COAH"** or the **"Council"** means the New Jersey Council on Affordable Housing established under the Act which has primary jurisdiction for the administration of housing obligations in accordance with sound regional planning consideration in the State.

- iii. **"Development fee"** means money paid by a developer for the improvement of property as permitted in N.J.A.C. 5:97-8.3.
- iv. **"Developer"** means the legal or beneficial owner or owners of a lot or of any land proposed to be included in a proposed development, including the holder of an option or contract to purchase, or other person having an enforceable proprietary interest in such land.
- v. **"Equalized assessed value"** means the assessed value of a property divided by the current average ratio of assessed to true value for the municipality in which the property is situated, as determined in accordance with sections 1, 5, and 6 of P.L.1973, c.123 (C.54:1-35a through C.54:1-35c).
- vi. **"Green building strategies"** means those strategies that minimize the impact of development on the environment, and enhance the health, safety and well-being of residents by producing durable, low-maintenance, resource-efficient housing while making optimum use of existing infrastructure and community services.

4. Residential Development fees

- a) Imposed fees
 - i. Within the *all zoning* district(s), residential developers, except for developers of the types of development specifically exempted below, shall pay a fee of *one and a half (1 ½)* percent of the equalized assessed value for residential development provided no increased density is permitted.
 - ii. When an increase in residential density pursuant to N.J.S.A. 40:55D-70d(5) (known as a "d" variance) has been permitted, developers may be required to pay a development fee of *six (6)* percent of the equalized assessed value for each additional unit that may be realized. However, if the zoning on a site has changed during the two-year period preceding the filing of such a variance application, the base density for the purposes of calculating the bonus development fee shall be the highest density permitted by right during the (2) two-year period preceding the filing of the variance application.
- b) Eligible exactions, ineligible exactions and exemptions for residential development
 - i. Affordable housing developments and developments where the developer has made a payment in lieu of on-site construction of affordable units shall be exempt from development fees.
 - ii. Developments that have received preliminary or final site plan approval prior to the adoption of a municipal development fee ordinance shall be exempt from development fees, unless the developer seeks a substantial change in the approval. Where a site plan approval does not apply, a zoning and/or building permit shall be synonymous with preliminary or final site plan approval for this purpose. The fee percentage shall be vested on the date that the building permit is issued.

- iii. Development fees shall be imposed and collected when an existing structure undergoes a change to a more intense use, is demolished and replaced, or is expanded, if the expansion is not otherwise exempt from the development fee requirement. The development fee shall be calculated on the increase in the equalized assessed value of the improved structure.
- iv. Developers of one or two family owner-occupied dwelling units, residential structures demolished and replaced as a result of a natural disaster shall be exempt from paying a development fee.

5. Non-residential Development fees

a) Imposed fees

- i. Within all zoning districts, non-residential developers, except for developers of the types of development specifically exempted, shall pay a fee equal to two and one-half (2.5) percent of the equalized assessed value of the land and improvements, for all new non-residential construction on an unimproved lot or lots.
- ii. Non-residential developers, except for developers of the types of development specifically exempted, shall also pay a fee equal to two and one-half (2.5) percent of the increase in equalized assessed value resulting from any additions to existing structures to be used for non-residential purposes.
- iii. Development fees shall be imposed and collected when an existing structure is demolished and replaced. The development fee of two and a half percent (2.5%) shall be calculated on the difference between the equalized assessed value of the pre-existing land and improvement and the equalized assessed value of the newly improved structure, i.e. land and improvement, at the time final certificate of occupancy is issued. If the calculation required under this section results in a negative number, the non-residential development fee shall be zero.

b) Eligible exactions, ineligible exactions and exemptions for non-residential development

- i. The non-residential portion of a mixed-use inclusionary or market rate development shall be subject to the two and a half (2.5) percent development fee, unless otherwise exempted below.
- ii. The 2.5 percent fee shall not apply to an increase in equalized assessed value resulting from alterations, change in use within existing footprint, reconstruction, renovations and repairs.
- iii. Non-residential developments shall be exempt from the payment of non-residential development fees in accordance with the exemptions required pursuant to P.L.2008, c.46, as specified in the Form N-RDF "State of New Jersey

Non-Residential Development Certification/Exemption" Form. Any exemption claimed by a developer shall be substantiated by that developer.

- iii. A developer of a non-residential development exempted from the non-residential development fee pursuant to P.L.2008, c.46 shall be subject to it at such time the basis for the exemption no longer applies, and shall make the payment of the non-residential development fee, in that event, within three years after that event or after the issuance of the final certificate of occupancy of the non-residential development, whichever is later.
- iv. If a property which was exempted from the collection of a non-residential development fee thereafter ceases to be exempt from property taxation, the owner of the property shall remit the fees required pursuant to this section within 45 days of the termination of the property tax exemption. Unpaid non-residential development fees under these circumstances may be enforceable by the *City of South Amboy* as a lien against the real property of the owner.

6. Collection procedures

- a) Upon the granting of a preliminary, final or other applicable approval, for a development, the applicable approving authority shall direct its staff to notify the construction official responsible for the issuance of a building permit.
- b) For non-residential developments only, the developer shall also be provided with a copy of Form N-RDF "State of New Jersey Non-Residential Development Certification/Exemption" to be completed as per the instructions provided. The Developer of a non-residential development shall complete Form N-RDF as per the instructions provided. The construction official shall verify the information submitted by the non-residential developer as per the instructions provided in the Form N-RDF. The Tax assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in Form N-RDF.
- c) The construction official responsible for the issuance of a building permit shall notify the local tax assessor of the issuance of the first building permit for a development, which is subject to a development fee.
- d) Within 90 days of receipt of that notice, the municipal tax assessor, based on the plans filed, shall provide an estimate of the equalized assessed value of the development.
- e) The construction official responsible for the issuance of a final certificate of occupancy notifies the local assessor of any and all requests for the scheduling of a final inspection on property, which is subject to a development fee.
- f) Within 10 business days of a request for the scheduling of a final inspection, the municipal assessor shall confirm or modify the previously estimated equalized assessed value of the improvements of the development; calculate

the development fee; and thereafter notify the developer of the amount of the fee.

- g) Should the *City of South Amboy* fail to determine or notify the developer of the amount of the development fee within 10 business days of the request for final inspection, the developer may estimate the amount due and pay that estimated amount consistent with the dispute process set forth in subsection b. of section 37 of P.L.2008, c.46 (C.40:55D-8.6).
- h) Fifty percent of the development fee shall be collected at the time of issuance of the building permit. The remaining portion shall be collected at the issuance of the certificate of occupancy. The developer shall be responsible for paying the difference between the fee calculated at building permit and that determined at issuance of certificate of occupancy.
- i) Appeal of development fees
 - 1) A developer may challenge residential development fees imposed by filing a challenge with the County Board of Taxation. Pending a review and determination by the Board, collected fees shall be placed in an interest bearing escrow account by City of South Amboy . Appeals from a determination of the Board may be made to the tax court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S.54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.
 - 2) A developer may challenge non-residential development fees imposed by filing a challenge with the Director of the Division of Taxation. Pending a review and determination by the Director, which shall be made within 45 days of receipt of the challenge, collected fees shall be placed in an interest bearing escrow account by City of South Amboy . Appeals from a determination of the Director may be made to the tax court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S.54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.

7. Affordable Housing trust fund

- a) There is hereby created a separate, interest-bearing housing trust fund to be maintained by the *chief financial officer* for the purpose of depositing development fees collected from residential and non-residential developers and proceeds from the sale of units with extinguished controls.
- b) The following additional funds shall be deposited in the Affordable Housing Trust Fund and shall at all times be identifiable by source and amount:
 - 1. Payments in lieu of on-site construction of affordable units;
 - 2. Developer contributed funds to make ten percent (10%) of the adaptable entrances in a City house or other multistory attached development accessible;

3. Rental income from municipally operated units;
 4. Repayments from affordable housing program loans;
 5. Recapture funds;
 6. Proceeds from the sale of affordable units; and
 7. Any other funds collected in connection with *[insert municipal name]*'s affordable housing program.
- c) Within seven days from the opening of the trust fund account, *City of South Amboy* shall provide COAH with written authorization, in the form of a three-party escrow agreement between the municipality, *City and Valley National Bank* and COAH to permit COAH to direct the disbursement of the funds as provided for in N.J.A.C. 5:97-8.13(b).
 - d) All interest accrued in the housing trust fund shall only be used on eligible affordable housing activities approved by COAH.

8 Use of funds

- a) The expenditure of all funds shall conform to a spending plan approved by COAH. Funds deposited in the housing trust fund may be used for any activity approved by COAH to address the *City of South Amboy* 's fair share obligation and may be set up as a grant or revolving loan program. Such activities include, but are not limited to: preservation or purchase of housing for the purpose of maintaining or implementing affordability controls, rehabilitation, new construction of affordable housing units and related costs, accessory apartment, market to affordable, or regional housing partnership programs, conversion of existing non-residential buildings to create new affordable units, green building strategies designed to be cost saving and in accordance with accepted national or state standards, purchase of land for affordable housing, improvement of land to be used for affordable housing, extensions or improvements of roads and infrastructure to affordable housing sites, financial assistance designed to increase affordability, administration necessary for implementation of the Housing Element and Fair Share Plan, or any other activity as permitted pursuant to N.J.A.C. 5:97-8.7 through 8.9 and specified in the approved spending plan.
- b) Funds shall not be expended to reimburse *City of South Amboy* for past housing activities.
- c) At least 30 percent of all development fees collected and interest earned shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in the municipal Fair Share Plan. One-third of the affordability assistance portion of development fees collected shall be used to provide affordability assistance to those households earning 30 percent or less of median income by region.
 - i. Affordability assistance programs may include down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowners association or condominium fees and special assessments, and assistance with emergency repairs.

- ii. Affordability assistance to households earning 30 percent or less of median income may include buying down the cost of low or moderate income units in the municipal Fair Share Plan to make them affordable to households earning 30 percent or less of median income. The use of development fees in this manner may entitle *City of South Amboy* to bonus credits pursuant to N.J.A.C. 5:97-3.7.
- iii. Payments in lieu of constructing affordable units on site and funds from the sale of units with extinguished controls shall be exempt from the affordability assistance requirement.
- d) *City of South Amboy* may contract with a private or public entity to administer any part of its Housing Element and Fair Share Plan, including the requirement for affordability assistance, in accordance with N.J.A.C. 5:96-18.
- e) No more than 20 percent of all revenues collected from development fees, may be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop or implement a new construction program, a Housing Element and Fair Share Plan, and/or an affirmative marketing program. In the case of a rehabilitation program, no more than 20 percent of the revenues collected from development fees shall be expended for such administrative expenses. Administrative funds may be used for income qualification of households, monitoring the turnover of sale and rental units, and compliance with COAH's monitoring requirements. Legal or other fees related to litigation opposing affordable housing sites or objecting to the Council's regulations and/or action are not eligible uses of the affordable housing trust fund.

9. Monitoring

- a) *City of South Amboy* shall complete and return to COAH all monitoring forms included in monitoring requirements related to the collection of development fees from residential and non-residential developers, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, barrier free escrow funds, rental income, repayments from affordable housing program loans, and any other funds collected in connection with the *City of South Amboy* 's housing program, as well as to the expenditure of revenues and implementation of the plan certified by COAH. All monitoring reports shall be completed on forms designed by COAH.

10. Ongoing collection of fees

- a) The ability for *City of South Amboy* to impose, collect and expend development fees shall expire with its substantive certification unless *City of South Amboy* has filed an adopted Housing Element and Fair Share Plan with COAH, has petitioned for substantive certification, and has received COAH's approval of its development fee ordinance. If *City of South Amboy* fails to renew its ability to impose and collect development fees prior to the expiration of *substantive certification*, it may be subject to forfeiture of any or all funds remaining within its municipal trust fund. Any funds so forfeited shall be deposited into the "New

Jersey Affordable Housing Trust Fund" established pursuant to section 20 of P.L.1985, c.222 (C.52:27D-320). *City of South Amboy* shall not impose a residential development fee on a development that receives preliminary or final site plan approval after the expiration of its substantive certification or judgment of compliance, nor shall *City of South Amboy* retroactively impose a development fee on such a development. *City of South Amboy* shall not expend development fees after the expiration of its substantive certification or judgment of compliance.

Appendix F

Resolution of Intent to Bond

**Governing Body Resolution of Intent to Appropriate
Funds or Bond in the Event of a Funding Shortfall**

WHEREAS, *City of South Amboy* has petitioned the Council on Affordable Housing (COAH) for substantive certification of its adopted Housing Element and Fair Share Plan; and

WHEREAS, the plan submitted to COAH allocates funds for:

1. *Rehabilitation*;
2. Affordability Assistance; and

WHEREAS, the *City of South Amboy* anticipates that funding will come from the following sources to satisfy these obligations:

1. *Development Fees*
2. Middlesex County Rehabilitation Program; and

WHEREAS, in the event that the above funding sources prove inadequate to complete the affordable housing programs included in *City of South Amboy's* COAH-certified Housing Element and Fair Share Plan, *South Amboy* shall provide sufficient funding to address any shortfalls.

NOW THEREFORE BE IT RESOLVED by the Governing Body of *the City of South Amboy, Middlesex County*, State of New Jersey, that the Governing Body does hereby agree to appropriate funds or authorize the issuance of debt to fund any shortfall in its affordable housing program that may arise whether due to inadequate funding from other sources or for any other reason; and

BE IT FURTHER RESOLVED that, upon written notification by COAH after a finding that inadequate funding exists to complete the affordable housing programs included in *the City of South Amboy's* COAH-certified Housing Element and Fair Share Plan, *Dover* agrees to appropriate funds or authorize the issuance of debt within 90 days of written notification by COAH; and

BE IT FURTHER RESOLVED that the City of South Amboy may repay debt through future collections of development fees, as such funds become available.

Municipal Clerk

Appendix G

*Planning Board Resolution Amending the
Housing Element & Fair Share Plan*

**Resolution of the Planning Board of the City of South Amboy
Adopting an Amendment to the Housing Element and Fair
Share Plan**

WHEREAS, the Planning Board of the City of South Amboy, Middlesex County, State of New Jersey, adopted its current Housing Element and Fair Share Plan pursuant to N.J.S.A. 40:55D-28 on December 4, 2006; and

WHEREAS, the Mayor and Council endorsed the Housing Element and Fair Share Plan on December 6, 2006; and

WHEREAS, the Mayor and Council petitioned the Council on Affordable Housing for substantive certification on December 6, 2006; and

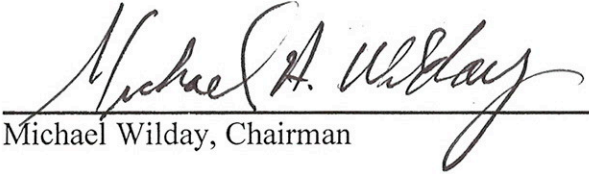
WHEREAS, City of South Amboy has not yet received substantive certification from the Council on Affordable Housing on that plan due to changes in the Third Round Rules, but had received substantive certification from the Council on Affordable Housing on the prior round plan; and

WHEREAS, the Planning Board has determined to amend the Housing Element and Fair Share Plan; and

WHEREAS, upon notice duly provided pursuant to N.J.S.A. 40:55D-13, the Planning Board held a public hearing on the amended Housing Element and Fair Share Plan on December 22, 2008; and

WHEREAS, the Planning Board has determined that the amendment to the Housing Element and Fair Share Plan is consistent with the goals and objective of the City of South Amboy's Master Plan and that adoption and implementation of the amendment to the Housing Element and Fair Share Plan are in the public interest and protect public health and safety and promote the general welfare;

NOW THEREFORE BE IT RESOLVED by the Planning Board of the City of South Amboy, Middlesex County, State of New Jersey, that the Planning Board hereby adopts the amended Housing Element and Fair Share Plan.


Michael Wilday, Chairman

I certify that the above Resolution is a true copy of a Resolution adopted by the Planning Board on December 22, 2008.


Linda Garnett, Secretary

Dated: 12/22/08

Appendix H

Governing Body Resolution Amending Petition to COAH

CITY OF SOUTH AMBOY
COUNTY OF MIDDLESEX

RESOLUTION NO. 263-2008

**RESOLUTION RE-PETITIONING WITH AN AMENDED
HOUSING ELEMENT AND FAIR SHARE PLAN**

WHEREAS, the Planning Board of the City of South Amboy, State of New Jersey, adopted an amended Housing Element and Fair Share Plan on December 22, 2008; and

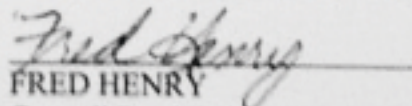
WHEREAS, a true copy of the resolution of the Planning Board adopting the amended Housing Element and Fair Share Plan is attached pursuant to N.J.A.C. 5:96-2.2(a)2.

NOW THEREFORE BE IT RESOLVED that the Governing Body of the City of South Amboy, State of New Jersey, hereby endorses the amended Housing Element and Fair Share Plan as adopted by the South Amboy Planning Board; and

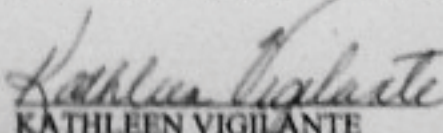
BE IT FURTHER RESOLVED that the Governing Body of the City of South Amboy, pursuant to the provisions of N.J.S.A. 52:27D-301 et seq. and N.J.A.C. 5:96-3.4, submits this re-petition for substantive certification of the amended Housing Element and Fair Share Plan to the Council on Affordable Housing for review and certification; and

BE IT FURTHER RESOLVED that all objectors and owners of sites in the Housing Element and Fair Share Plan have received notice of the re-petition; and

BE IT FURTHER RESOLVED that notice of this re-petition for substantive certification shall be published in a newspaper of countywide circulation pursuant to N.J.A.C. 5:96-3.5 within seven days of issuance of the notification letter from the Executive Director of the Council on Affordable Housing indicating that the submission is complete and that a copy of this resolution, the adopted amended Housing Element and Fair Share Plan and all supporting documentation shall be made available for public inspection at the City of South Amboy municipal clerk's office located at City Hall, 140 North Broadway, South Amboy, New Jersey during the hours of 9am-4pm Monday through Friday for a period of 45 days following the date of publication of the legal notice pursuant to N.J.A.C. 5:96-3.5.


FRED HENRY
Council President

Certified to be a true copy of a Resolution adopted by the Governing Body on December 23, 2008.


KATHLEEN VIGILANTE
Municipal Clerk

	<i>Moved</i>	<i>Seconded</i>	<i>Ayes</i>	<i>Nays</i>	<i>Absent</i>	<i>Abstain</i>
CONNORS			✓			
O'CONNELL					✓	
STILL WAGON	✓		✓			
SZATKOWSKI					✓	
HENRY			✓			

Appendix I

Notice of Amended Petition

**Notice of Petition to the Council on Affordable Housing with the
City of South Amboy, Housing Element and Fair Share Plan**

NOTICE is hereby given that *the City of South Amboy* has petitioned the New Jersey Council on Affordable Housing to amend its Substantive Certification pursuant to N.J.S.A. 52:27D-301 et seq. and N.J.A.C. 5:96-14 et seq. The *City of South Amboy* Planning Board, subsequent to public hearing, adopted a revision to its Housing Element and Fair Share Plan on *December 22, 2008*. The adopted plan is a revision of a previously adopted Housing Element and Fair Share Plan.

The amendment is to conform to the Council on Affordable Housing' s new regulations adopted June 2, 2008. The Plan includes strategies to provide for rehabilitation of existing units while providing opportunities for new affordable housing within the City.

A copy of the adopted Housing Element and Fair Share Plan and supporting documentation is available for public inspection at the office of the *City Clerk*, South Amboy City Hall, located at 140 N. Broadway, South Amboy, NJ 08879, during regular business hours of 9am- 4pm. Comments or objections to said petition to amend shall be filed with the Council on Affordable Housing, 101 South Broad Street, PO Box 813, Trenton, New Jersey 08625-0813 and with the municipal clerk by XXXXX, which is within 45 days of publication of this notice.

City Clerk

Appendix J

DRAFT Growth Share Ordinance

-DRAFT-

The attached ordinance was taken from COAH's published model. The Plan was on-file and adopted prior to the ordinance being completed by COAH. This will be reviewed by the Town and adopted during the Certification process...

AN ORDINANCE OF CITY OF SOUTH AMBOY TO ADDRESS THE REQUIREMENTS OF THE COUNCIL ON AFFORDABLE HOUSING (COAH) REGARDING COMPLIANCE WITH THE MUNICIPALITY'S PRIOR ROUND AND THIRD ROUND AFFORDABLE HOUSING OBLIGATIONS

Section 1. Affordable Housing Obligation

- (a) This Ordinance is intended to assure that low- and moderate-income units ("affordable units") are created with controls on affordability over time and that low- and moderate-income households shall occupy these units. This Ordinance shall apply except where inconsistent with applicable law.
- (b) The City of South Amboy Planning Board has adopted a Housing Element and Fair Share Plan pursuant to the Municipal Land Use Law at N.J.S.A. 40:55D-1, et seq. The Fair Share Plan has been endorsed by the governing body. The Fair Share Plan describes the ways the City of South Amboy shall address its fair share for low- and moderate-income housing as determined by the Council on Affordable Housing (COAH) and documented in the Housing Element.
- (c) This Ordinance implements and incorporates the Fair Share Plan and addresses the requirements of N.J.A.C. 5:97, as may be amended and supplemented.
- (d) The City of South Amboy shall file monitoring reports with COAH in accordance with N.J.A.C. 5:96, tracking the status of the implementation of the Housing Element and Fair Share Plan. Any plan evaluation report of the Housing Element and Fair Share Plan and monitoring prepared by COAH in accordance with N.J.A.C. 5:96 shall be available to the public at the City of South Amboy, City Hall, City Clerk's Office, 140 N. Broadway, South Amboy, NJ 08879, New Jersey, or from COAH at 101 South Broad Street, Trenton, New Jersey and on COAH's website, www.nj.gov/dca/affiliates/coah.

Section 2. Definitions

The following terms when used in this Ordinance shall have the meanings given in this Section:

"Accessory apartment" means a self-contained residential dwelling unit with a kitchen, sanitary facilities, sleeping quarters and a private entrance, which is created within an existing home, or through the conversion of an existing accessory structure on the same site, or by an addition to an existing home or accessory building, or by the construction of a new accessory structure on the same site.

"Act" means the Fair Housing Act of 1985, P.L. 1985, c. 222 (N.J.S.A. 52:27D-301 et seq.)

“Adaptable” means constructed in compliance with the technical design standards of the Barrier Free Subcode, N.J.A.C. 5:23-7.

“Administrative agent” means the entity responsible for the administration of affordable units in accordance with this ordinance, N.J.A.C. 5:96, N.J.A.C. 5:97 and N.J.A.C. 5:80-26.1 et seq.

“Affirmative marketing” means a regional marketing strategy designed to attract buyers and/or renters of affordable units pursuant to N.J.A.C. 5:80-26.15.

“Affordability average” means the average percentage of median income at which restricted units in an affordable housing development are affordable to low- and moderate-income households.

“Affordable” means, a sales price or rent within the means of a low- or moderate-income household as defined in N.J.A.C. 5:97-9; in the case of an ownership unit, that the sales price for the unit conforms to the standards set forth in N.J.A.C. 5:80-26.6, as may be amended and supplemented, and, in the case of a rental unit, that the rent for the unit conforms to the standards set forth in N.J.A.C. 5:80-26.12, as may be amended and supplemented.

“Affordable development” means a housing development all or a portion of which consists of restricted units.

“Affordable housing development” means a development included in the Housing Element and Fair Share Plan, and includes, but is not limited to, an inclusionary development, a municipal construction project or a 100 percent affordable development.

“Affordable housing program(s)” means any mechanism in a municipal Fair Share Plan prepared or implemented to address a municipality’s fair share obligation.

“Affordable unit” means a housing unit proposed or created pursuant to the Act, credited pursuant to N.J.A.C. 5:97-4, and/or funded through an affordable housing trust fund.

“Agency” means the New Jersey Housing and Mortgage Finance Agency established by P.L. 1983, c. 530 (N.J.S.A. 55:14K-1, et seq.).

“Age-restricted unit” means a housing unit designed to meet the needs of, and exclusively for, the residents of an age-restricted segment of the population such that: 1) all the residents of the development where the unit is situated are 62 years or older; or 2) at least 80 percent of the units are occupied by one person that is 55 years or older; or 3) the development has been designated by the Secretary of the U.S. Department of Housing and Urban Development as “housing for older persons” as defined in Section 807(b)(2) of the Fair Housing Act, 42 U.S.C. § 3607.

“Assisted living residence” means a facility licensed by the New Jersey Department of Health and Senior Services to provide apartment-style housing and congregate dining and to assure that assisted living services are available when needed for four or more adult persons unrelated to the proprietor and that offers units containing, at a minimum, one unfurnished room, a private bathroom, a kitchenette and a lockable door on the unit entrance.

“Certified household” means a household that has been certified by an Administrative Agent as a low-income household or moderate-income household.

“COAH” means the Council on Affordable Housing, which is in, but not of, the Department of Community Affairs of the State of New Jersey, that was established under the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301 et seq.).

“DCA” means the State of New Jersey Department of Community Affairs.

“Deficient housing unit” means a housing unit with health and safety code violations that require the repair or replacement of a major system. A major system includes weatherization, roofing, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement and/or load bearing structural systems.

“Developer” means any person, partnership, association, company or corporation that is the legal or beneficial owner or owners of a lot or any land proposed to be included in a proposed development including the holder of an option to contract or purchase, or other person having an enforceable proprietary interest in such land.

“Development” means the division of a parcel of land into two or more parcels, the construction, reconstruction, conversion, structural alteration, relocation, or enlargement of any use or change in the use of any building or other structure, or of any mining, excavation or landfill, and any use or change in the use of any building or other structure, or land or extension of use of land, for which permission may be required pursuant to N.J.S.A. 40:55D-1 et seq.

“Inclusionary development” means a development containing both affordable units and market rate units. This term includes, but is not necessarily limited to: new construction, the conversion of a non-residential structure to residential and the creation of new affordable units through the reconstruction of a vacant residential structure.

“Low-income household” means a household with a total gross annual household income equal to 50 percent or less of the median household income.

“Low-income unit” means a restricted unit that is affordable to a low-income household.

“Major system” means the primary structural, mechanical, plumbing, electrical, fire protection, or occupant service components of a building which include but are not limited to, weatherization, roofing, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement or load bearing structural systems.

“Market-rate units” means housing not restricted to low- and moderate-income households that may sell or rent at any price.

“Median income” means the median income by household size for the applicable county, as adopted annually by COAH.

“Moderate-income household” means a household with a total gross annual household income in excess of 50 percent but less than 80 percent of the median household income.

“Moderate-income unit” means a restricted unit that is affordable to a moderate-income household.

“Non-exempt sale” means any sale or transfer of ownership other than the transfer of ownership between husband and wife; the transfer of ownership between former spouses ordered as a result of a judicial decree of divorce or judicial separation, but not including sales to third parties; the transfer of ownership between family members as a result of inheritance; the transfer of ownership through an executor’s deed to a class A beneficiary and the transfer of ownership by court order.

“Random selection process” means a process by which currently income-eligible households are selected for placement in affordable housing units such that no preference is given to one

applicant over another except for purposes of matching household income and size with an appropriately priced and sized affordable unit (e.g., by lottery).

“Regional asset limit” means the maximum housing value in each housing region affordable to a four-person household with an income at 80 percent of the regional median as defined by COAH’s adopted Regional Income Limits published annually by COAH.

“Rehabilitation” means the repair, renovation, alteration or reconstruction of any building or structure, pursuant to the Rehabilitation Subcode, N.J.A.C. 5:23-6.

“Rent” means the gross monthly cost of a rental unit to the tenant, including the rent paid to the landlord, as well as an allowance for tenant-paid utilities computed in accordance with allowances published by DCA for its Section 8 program. In assisted living residences, rent does not include charges for food and services.

“Restricted unit” means a dwelling unit, whether a rental unit or ownership unit, that is subject to the affordability controls of N.J.A.C. 5:80-26.1, as may be amended and supplemented, but does not include a market-rate unit financed under UHORP or MONI.

“UHAC” means the Uniform Housing Affordability Controls set forth in N.J.A.C. 5:80-26.1 et seq.

“Very low-income household” means a household with a total gross annual household income equal to 30 percent or less of the median household income.

“Very low-income unit” means a restricted unit that is affordable to a very low-income household.

“Weatherization” means building insulation (for attic, exterior walls and crawl space), siding to improve energy efficiency, replacement storm windows, replacement storm doors, replacement windows and replacement doors, and is considered a major system for rehabilitation.

Section 3. Affordable Housing Programs [NOTE: Include only programs identified as mechanisms in the Fair Share Plan that will satisfy the municipal affordable housing obligation]**

The City of South Amboy has determined that it will use the following mechanisms to satisfy its affordable housing obligations:

- (a) A Rehabilitation program.
 1. The Town of Dover’s rehabilitation program shall be designed to renovate deficient housing units occupied by low- and moderate-income households such that, after rehabilitation, these units will comply with the New Jersey State Housing Code pursuant to N.J.A.C. 5:28.
 2. Both owner occupied and renter occupied units shall be eligible for rehabilitation funds.
 3. All rehabilitated units shall remain affordable to low- and moderate-income households for a period of 10 years (the control period). For owner occupied units the control period will be enforced with a lien and for renter occupied units the control period will be enforced with a deed restriction.

4. The City of South Amboy shall dedicate a minimum of \$10,000 for each unit to be rehabilitated through this program, reflecting the minimum hard cost of rehabilitation for each unit.
5. The City of South Amboy shall adopt a resolution committing to fund any shortfall in the rehabilitation programs for the Town of Dover.
6. The City of South Amboy shall designate, subject to the approval of COAH, one or more Administrative Agents to administer the rehabilitation program in accordance with N.J.A.C. 5:96 and N.J.A.C. 5:97. The Administrative Agent(s) shall provide a rehabilitation manual for the owner occupancy rehabilitation program and a rehabilitation manual for the rental occupancy rehabilitation program to be adopted by resolution of the governing body and subject to approval of COAH. Both rehabilitation manuals shall be available for public inspection in the Office of the Municipal Clerk and in the office(s) of the Administrative Agent(s).
7. Units in a rehabilitation program shall be exempt from N.J.A.C. 5:97-9 and Uniform Housing Affordability Controls (UHAC), but shall be administered in accordance with the following:
 - i. If a unit is vacant, upon initial rental subsequent to rehabilitation, or if a renter-occupied unit is re-rented prior to the end of controls on affordability, the deed restriction shall require the unit to be rented to a low- or moderate-income household at an affordable rent and affirmatively marketed pursuant to N.J.A.C. 5:97-9 and UHAC.
 - ii. If a unit is renter-occupied, upon completion of the rehabilitation, the maximum rate of rent shall be the lesser of the current rent or the maximum permitted rent pursuant to N.J.A.C. 5:97-9 and UHAC.
 - iii. Rents in rehabilitated units may increase annually based on the standards in N.J.A.C. 5:97-9.
 - iv. Applicant and/or tenant households shall be certified as income-eligible in accordance with N.J.A.C. 5:97-9 and UHAC, except that households in owner occupied units shall be exempt from the regional asset limit.

Section 7. Inclusionary Zoning

- (a) **Presumptive densities and set-asides.** To ensure the efficient use of land through compact forms of development and to create realistic opportunities for the construction of affordable housing, inclusionary zoning permits minimum presumptive densities and presumptive maximum affordable housing set-asides as follows:
 1. Rental Developments
 - i. Inclusionary zoning permits a presumptive minimum density of 12 units per acre and a presumptive maximum affordable housing set-aside of 20 percent of the total number of units in the development and the zoning provides for at least 10 percent of the affordable units to be affordable to households earning 30 percent or less of the area median income for the COAH region.

- (b) **Phasing.** In inclusionary developments the following schedule shall be followed:

Maximum Percentage of Market-Rate Units Completed	Minimum Percentage of Low- and Moderate-Income Units Completed
25	0
25+1	10
50	50
75	75
90	100

- (c) **Design.** In inclusionary developments, to the extent possible, low- and moderate-income units shall be integrated with the market units.
- (d) **Payments-in-lieu and off-site construction.** The standards for the collection of Payments-in-Lieu of constructing affordable units or standards for constructing affordable units off-site, shall be in accordance with N.J.A.C. 5:97-6.4.
- (e) **Utilities.** Affordable units shall utilize the same type of heating source as market units within the affordable development.

Section 8. New Construction

The following general guidelines apply to all newly constructed developments that contain low- and moderate-income housing units, including any currently unanticipated future developments that will provide low- and moderate-income housing units.

- (a) **Low/Moderate Split and Bedroom Distribution of Affordable Housing Units:**
1. The fair share obligation shall be divided equally between low- and moderate-income units, except that where there is an odd number of affordable housing units, the extra unit shall be a low income unit.
 2. In each affordable development, at least 50 percent of the restricted units within each bedroom distribution shall be low-income units.
 3. Affordable developments that are not age-restricted shall be structured in conjunction with realistic market demands such that:
 - i. The combined number of efficiency and one-bedroom units shall be no greater than 20 percent of the total low- and moderate-income units;
 - ii. At least 30 percent of all low- and moderate-income units shall be two bedroom units;
 - iii. At least 20 percent of all low- and moderate-income units shall be three bedroom units; and
 - iv. The remaining units may be allocated among two and three bedroom units at the discretion of the developer.
 4. Affordable developments that are age-restricted shall be structured such that the number of bedrooms shall equal the number of age-restricted low- and moderate-

income units within the inclusionary development. The standard may be met by having all one-bedroom units or by having a two-bedroom unit for each efficiency unit.

(b) Accessibility Requirements:

1. The first floor of all restricted townhouse dwelling units and all restricted units in all other multistory buildings shall be subject to the technical design standards of the Barrier Free Subcode, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14.
2. All restricted townhouse dwelling units and all restricted units in other multistory buildings in which a restricted dwelling unit is attached to at least one other dwelling unit shall have the following features:
 - i. An adaptable toilet and bathing facility on the first floor;
 - ii. An adaptable kitchen on the first floor;
 - iii. An interior accessible route of travel on the first floor;
 - iv. An interior accessible route of travel shall not be required between stories within an individual unit;
 - v. An adaptable room that can be used as a bedroom, with a door or the casing for the installation of a door, on the first floor; and
 - vi. An accessible entranceway as set forth at P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a et seq.) and the Barrier Free Subcode, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14, or evidence that the *[insert name of municipality]* has collected funds from the developer sufficient to make 10 percent of the adaptable entrances in the development accessible:
 - A. Where a unit has been constructed with an adaptable entrance, upon the request of a disabled person who is purchasing or will reside in the dwelling unit, an accessible entrance shall be installed.
 - B. To this end, the builder of restricted units shall deposit funds within the *[insert name of municipality]*'s affordable housing trust fund sufficient to install accessible entrances in 10 percent of the affordable units that have been constructed with adaptable entrances.
 - C. The funds deposited under paragraph B. above shall be used by the *[insert name of municipality]* for the sole purpose of making the adaptable entrance of any affordable unit accessible when requested to do so by a person with a disability who occupies or intends to occupy the unit and requires an accessible entrance.
 - D. The developer of the restricted units shall submit a design plan and cost estimate for the conversion from adaptable to accessible entrances to the Construction Official of the *[insert name of municipality]*.
 - E. Once the Construction Official has determined that the design plan to convert the unit entrances from adaptable to accessible meet the

requirements of the Barrier Free Subcode, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14, and that the cost estimate of such conversion is reasonable, payment shall be made to the *[insert name of municipality]*'s affordable housing trust fund in care of the Municipal Treasurer who shall ensure that the funds are deposited into the affordable housing trust fund and appropriately earmarked.

- F. Full compliance with the foregoing provisions shall not be required where an entity can demonstrate that it is site impracticable to meet the requirements. Determinations of site impracticability shall be in compliance with the Barrier Free Subcode, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14.

(c) Maximum Rents and Sales Prices

1. In establishing rents and sales prices of affordable housing units, the administrative agent shall follow the procedures set forth in UHAC and in COAH, utilizing the regional income limits established by COAH.
2. The maximum rent for restricted rental units within each affordable development shall be affordable to households earning no more than 60 percent of median income, and the average rent for restricted low- and moderate-income units shall be affordable to households earning no more than 52 percent of median income.
3. The developers and/or municipal sponsors of restricted rental units shall establish at least one rent for each bedroom type for both low-income and moderate-income units.
 - i. At least 10 percent of all low- and moderate-income rental units shall be affordable to households earning no more than 30 percent of median income.

****NOTE:** N.J.S.A. 52:27D-329.1 (P.L. 2008, C. 46) includes the requirement that all municipal fair share plans provide for the reservation of at least 13% of the affordable units for very low income households, i.e. households earning 30% or less of the median income. The new statute states that the requirement is not project-specific. Each municipality's version of this ordinance must reflect the determinations made in the Fair Share Plan as to the percentage of units necessary for very low income units in rental projects. Additional incentives to subsidize the creation of affordable housing available to very-low income households may be included in the zoning section of this ordinance or specified in a developer's or redeveloper's agreement.

4. The maximum sales price of restricted ownership units within each affordable development shall be affordable to households earning no more than 70 percent of median income, and each affordable development must achieve an affordability average of 55 percent for restricted ownership units; in achieving this affordability average, moderate-income ownership units must be available for at least three different prices for each bedroom type, and low-income ownership units must be available for at least two different prices for each bedroom type.

5. In determining the initial sales prices and rents for compliance with the affordability average requirements for restricted units other than assisted living facilities, the following standards shall be used:
 - i. A studio shall be affordable to a one-person household;
 - ii. A one-bedroom unit shall be affordable to a one and one-half person household;
 - iii. A two-bedroom unit shall be affordable to a three-person household;
 - iv. A three-bedroom unit shall be affordable to a four and one-half person household; and
 - v. A four-bedroom unit shall be affordable to a six-person household.
6. In determining the initial rents for compliance with the affordability average requirements for restricted units in assisted living facilities, the following standards shall be used:
 - i. A studio shall be affordable to a one-person household;
 - ii. A one-bedroom unit shall be affordable to a one and one-half person household; and
 - iii. A two-bedroom unit shall be affordable to a two-person household or to two one-person households.
7. The initial purchase price for all restricted ownership units shall be calculated so that the monthly carrying cost of the unit, including principal and interest (based on a mortgage loan equal to 95 percent of the purchase price and the Federal Reserve H.15 rate of interest), taxes, homeowner and private mortgage insurance and condominium or homeowner association fees do not exceed 28 percent of the eligible monthly income of the appropriate size household as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the price shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.
8. The initial rent for a restricted rental unit shall be calculated so as not to exceed 30 percent of the eligible monthly income of the appropriate household size as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the rent shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.
9. The price of owner-occupied low- and moderate-income units may increase annually based on the percentage increase in the regional median income limit for each housing region. In no event shall the maximum resale price established by the administrative agent be lower than the last recorded purchase price.
10. The rent of low- and moderate-income units may be increased annually based on the percentage increase in the Housing Consumer Price Index for the United States. This increase shall not exceed nine percent in any one year. Rents for units constructed

pursuant to low- income housing tax credit regulations shall be indexed pursuant to the regulations governing low- income housing tax credits.

11. **Utilities.** Tenant-paid utilities that are included in the utility allowance shall be so stated in the lease and shall be consistent with the utility allowance approved by DCA for its Section 8 program.

The following general guidelines apply to all developments that contain low-and moderate-income housing units, including any currently unanticipated future developments that will provide low- and moderate-income housing units.

Section 9. Affirmative Marketing Requirements

- (a) The City of South Amboy shall adopt by resolution an Affirmative Marketing Plan, subject to approval of COAH, compliant with N.J.A.C. 5:80-26.15, as may be amended and supplemented.
- (b) The affirmative marketing plan is a regional marketing strategy designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children to housing units which are being marketed by a developer, sponsor or owner of affordable housing. The affirmative marketing plan is also intended to target those potentially eligible persons who are least likely to apply for affordable units in that region. It is a continuing program that directs all marketing activities toward COAH Housing Region 2 and covers the period of deed restriction.
- (c) The Administrative Agent designated by The City of South Amboy shall assure the affirmative marketing of all affordable units consistent with the Affirmative Marketing Plan for the municipality.
- (d) In implementing the affirmative marketing plan, the Administrative Agent shall provide a list of counseling services to low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements, and landlord/tenant law.
- (e) The affirmative marketing process for available affordable units shall begin at least four months prior to the expected date of occupancy.
- (f) The costs of advertising and affirmative marketing of the affordable units shall be the responsibility of the developer, sponsor or owner, unless otherwise determined or agreed to by The Town of Dover.

Section 10. Occupancy Standards

- (a) In referring certified households to specific restricted units, to the extent feasible, and without causing an undue delay in occupying the unit, the Administrative Agent shall strive to:
 1. Provide an occupant for each bedroom;

2. Provide children of different sex with separate bedrooms; and
 3. Prevent more than two persons from occupying a single bedroom.
- (b) Additional provisions related to occupancy standards (if any) shall be provided in the municipal Operating Manual.

Section 11. Control Periods for Restricted Ownership Units and Enforcement Mechanisms

- (a) Control periods for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.5, as may be amended and supplemented, and each restricted ownership unit shall remain subject to the requirements of this Ordinance until The City of South Amboy elects to release the unit from such requirements however, and prior to such an election, a restricted ownership unit must remain subject to the requirements of N.J.A.C. 5:80-26.1, as may be amended and supplemented, for at least 30 years.
- (b) The affordability control period for a restricted ownership unit shall commence on the date the initial certified household takes title to the unit.
- (c) Prior to the issuance of the initial certificate of occupancy for a restricted ownership unit and upon each successive sale during the period of restricted ownership, the administrative agent shall determine the restricted price for the unit and shall also determine the non-restricted, fair market value of the unit based on either an appraisal or the unit's equalized assessed value.
- (d) At the time of the first sale of the unit, the purchaser shall execute and deliver to the Administrative Agent a recapture note obligating the purchaser (as well as the purchaser's heirs, successors and assigns) to repay, upon the first non-exempt sale after the unit's release from the requirements of this Ordinance, an amount equal to the difference between the unit's non-restricted fair market value and its restricted price, and the recapture note shall be secured by a recapture lien evidenced by a duly recorded mortgage on the unit.
- (e) The affordability controls set forth in this Ordinance shall remain in effect despite the entry and enforcement of any judgment of foreclosure with respect to restricted ownership units.
- (f) A restricted ownership unit shall be required to obtain a Continuing Certificate of Occupancy or a certified statement from the Construction Official stating that the unit meets all code standards upon the first transfer of title that follows the expiration of the applicable minimum control period provided under N.J.A.C. 5:80-26.5(a), as may be amended and supplemented.

Section 12. Price Restrictions for Restricted Ownership Units, Homeowner Association Fees and Resale Prices

Price restrictions for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, including:

- (a) The initial purchase price for a restricted ownership unit shall be approved by the Administrative Agent.
- (b) The Administrative Agent shall approve all resale prices, in writing and in advance of the resale, to assure compliance with the foregoing standards.
- (c) The method used to determine the condominium association fee amounts and special assessments shall be indistinguishable between the low- and moderate-income unit owners and the market unit owners.
- (d) The owners of restricted ownership units may apply to the Administrative Agent to increase the maximum sales price for the unit on the basis of capital improvements. Eligible capital improvements shall be those that render the unit suitable for a larger household or the addition of a bathroom.

Section 13. Buyer Income Eligibility

- (a) Buyer income eligibility for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, such that low-income ownership units shall be reserved for households with a gross household income less than or equal to 50 percent of median income and moderate-income ownership units shall be reserved for households with a gross household income less than 80 percent of median income.
- (b) The Administrative Agent shall certify a household as eligible for a restricted ownership unit when the household is a low-income household or a moderate-income household, as applicable to the unit, and the estimated monthly housing cost for the particular unit (including principal, interest, taxes, homeowner and private mortgage insurance and condominium or homeowner association fees, as applicable) does not exceed 33 percent of the household's certified monthly income.

Section 14. Limitations on indebtedness secured by ownership unit; subordination

- (a) Prior to incurring any indebtedness to be secured by a restricted ownership unit, the administrative agent shall determine in writing that the proposed indebtedness complies with the provisions of this section.
- (b) With the exception of original purchase money mortgages, during a control period neither an owner nor a lender shall at any time cause or permit the total indebtedness secured by a restricted ownership unit to exceed 95 percent of the maximum allowable resale price of that unit, as such price is determined by the administrative agent in accordance with N.J.A.C.5:80-26.6(b).

Section 15. Control Periods for Restricted Rental Units

- (a) Control periods for restricted rental units shall be in accordance with N.J.A.C. 5:80-26.11, as may be amended and supplemented, and each restricted rental unit shall remain subject to the requirements of this Ordinance until The City of South Amboy elects to release the unit from such requirements pursuant to action taken in compliance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, and prior to such an election,

a restricted rental unit must remain subject to the requirements of N.J.A.C. 5:80-26.1, as may be amended and supplemented, for at least 30 years.

- (b) Deeds of all real property that include restricted rental units shall contain deed restriction language. The deed restriction shall have priority over all mortgages on the property, and the deed restriction shall be filed by the developer or seller with the records office of the County of Middlesex. A copy of the filed document shall be provided to the Administrative Agent within 30 days of the receipt of a Certificate of Occupancy.
- (c) A restricted rental unit shall remain subject to the affordability controls of this Ordinance, despite the occurrence of any of the following events:
 - 1. Sublease or assignment of the lease of the unit;
 - 2. Sale or other voluntary transfer of the ownership of the unit; or
 - 3. The entry and enforcement of any judgment of foreclosure.

Section 16. Price Restrictions for Rental Units; Leases

- (a) A written lease shall be required for all restricted rental units, except for units in an assisted living residence, and tenants shall be responsible for security deposits and the full amount of the rent as stated on the lease. A copy of the current lease for each restricted rental unit shall be provided to the Administrative Agent.
- (b) No additional fees or charges shall be added to the approved rent (except, in the case of units in an assisted living residence, to cover the customary charges for food and services) without the express written approval of the Administrative Agent.
- (c) Application fees (including the charge for any credit check) shall not exceed five percent of the monthly rent of the applicable restricted unit and shall be payable to the Administrative Agent to be applied to the costs of administering the controls applicable to the unit as set forth in this Ordinance.

Section 17. Tenant Income Eligibility

- (a) Tenant income eligibility shall be in accordance with N.J.A.C. 5:80-26.13, as may be amended and supplemented, and shall be determined as follows:
 - 1. Very low-income rental units shall be reserved for households with a gross household income less than or equal to 30 percent of median income.
 - 2. Low-income rental units shall be reserved for households with a gross household income less than or equal to 50 percent of median income.
 - 3. Moderate-income rental units shall be reserved for households with a gross household income less than 80 percent of median income.
- (b) The Administrative Agent shall certify a household as eligible for a restricted rental unit when the household is a very low-income, low-income household or a moderate-income household, as applicable to the unit, and the rent proposed for the unit does not exceed 35 percent (40 percent for age-restricted units) of the household's eligible monthly income

as determined pursuant to N.J.A.C. 5:80-26.16, as may be amended and supplemented; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:

1. The household currently pays more than 35 percent (40 percent for households eligible for age-restricted units) of its gross household income for rent, and the proposed rent will reduce its housing costs;
 2. The household has consistently paid more than 35 percent (40 percent for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its ability to pay;
 3. The household is currently in substandard or overcrowded living conditions;
 4. The household documents the existence of assets with which the household proposes to supplement the rent payments; or
 5. The household documents proposed third-party assistance from an outside source such as a family member in a form acceptable to the Administrative Agent and the owner of the unit.
- (c) The applicant shall file documentation sufficient to establish the existence of the circumstances in (b)1 through 5 above with the Administrative Agent, who shall counsel the household on budgeting.

Section 18. Administration

- (a) The position of Municipal Housing Liaison (MHL) for The City of South Amboy is established by this ordinance. The City of South Amboy shall make the actual appointment of the MHL by means of a resolution.
1. The MHL must be either a full-time or part-time employee of The Town of Dover.
 2. The person appointed as the MHL must be reported to COAH for approval.
 3. The MHL must meet all COAH requirements for qualifications, including initial and periodic training.

**NOTE: if the MHL position is one that will always be included in the job description for a particular position in the local staff, e.g. Township Clerk, that position can be named in this ordinance.
 4. The Municipal Housing Liaison shall be responsible for oversight and administration of the affordable housing program for The Town of Dover, including the following responsibilities which may not be contracted out to the Administrative Agent:
 - i. Serving as the municipality's primary point of contact for all inquiries from the State, affordable housing providers, Administrative Agents and interested households;
 - ii. The implementation of the Affirmative Marketing Plan and affordability controls.
 - iii. When applicable, supervising any contracting Administrative Agent.

- iv. Monitoring the status of all restricted units in The Town of Dover's Fair Share Plan;
 - v. Compiling, verifying and submitting annual reports as required by COAH;
 - vi. Coordinating meetings with affordable housing providers and Administrative Agents, as applicable; and
 - vii. Attending continuing education opportunities on affordability controls, compliance monitoring and affirmative marketing as offered or approved by COAH.
- (b) The City of South Amboy shall designate by resolution of The Town of Dover, subject to the approval of COAH, one or more Administrative Agents to administer newly constructed affordable units in accordance with N.J.A.C. 5:96, N.J.A.C. 5:97 and UHAC.
- (c) An Operating Manual shall be provided by the Administrative Agent(s) to be adopted by resolution of the governing body and subject to approval of COAH. The Operating Manuals shall be available for public inspection in the Office of the Municipal Clerk and in the office(s) of the Administrative Agent(s).
- **NOTE:** If it is decided that an employee of the municipality will act as administrative agent or if the Housing Affordability Service (HAS) of the Agency is selected, the determination of such can be included in this ordinance.
- (d) The Administrative Agent shall perform the duties and responsibilities of an administrative agent as are set forth in UHAC and which are described in full detail in the Operating Manual, including those set forth in N.J.A.C. 5:80-26.14, 16 and 18 thereof, which includes:
- 1. Attending continuing education opportunities on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by COAH;
 - 2. Affirmative Marketing;
 - 2. Household Certification;
 - 3. Affordability Controls;
 - 4. Records retention;
 - 5. Resale and re-rental;
 - 6. Processing requests from unit owners; and
 - 7. Enforcement, though the ultimate responsibility for retaining controls on the units rests with the municipality.
 - 8. The Administrative Agent shall have authority to take all actions necessary and appropriate to carry out its responsibilities, hereunder.

Section 19. Enforcement of Affordable Housing Regulations

- (a) Upon the occurrence of a breach of any of the regulations governing the affordable unit by an Owner, Developer or Tenant the municipality shall have all remedies provided at

law or equity, including but not limited to foreclosure, tenant eviction, municipal fines, a requirement for household recertification, acceleration of all sums due under a mortgage, recoupment of any funds from a sale in the violation of the regulations, injunctive relief to prevent further violation of the regulations, entry on the premises, and specific performance.

- (b) After providing written notice of a violation to an Owner, Developer or Tenant of a low- or moderate-income unit and advising the Owner, Developer or Tenant of the penalties for such violations, the municipality may take the following action against the Owner, Developer or Tenant for any violation that remains uncured for a period of 60 days after service of the written notice:
 - 1. The municipality may file a court action pursuant to N.J.S.A. 2A:58-11 alleging a violation, or violations, of the regulations governing the affordable housing unit. If the Owner, Developer or Tenant is found by the court to have violated any provision of the regulations governing affordable housing units the Owner, Developer or Tenant shall be subject to one or more of the following penalties, at the discretion of the court:
 - i. A fine of not more than *[insert amount]* or imprisonment for a period not to exceed 90 days, or both. Each and every day that the violation continues or exists shall be considered a separate and specific violation of these provisions and not as a continuing offense;
 - ii. In the case of an Owner who has rented his or her low- or moderate-income unit in violation of the regulations governing affordable housing units, payment into The City of South Amboy Affordable Housing Trust Fund of the gross amount of rent illegally collected;
 - iii. In the case of an Owner who has rented his or her low- or moderate-income unit in violation of the regulations governing affordable housing units, payment of an innocent tenant's reasonable relocation costs, as determined by the court.
 - 2. The municipality may file a court action in the Superior Court seeking a judgment, which would result in the termination of the Owner's equity or other interest in the unit, in the nature of a mortgage foreclosure. Any judgment shall be enforceable as if the same were a judgment of default of the First Purchase Money Mortgage and shall constitute a lien against the low- and moderate-income unit.
- (c) Such judgment shall be enforceable, at the option of the municipality, by means of an execution sale by the Sheriff, at which time the low- and moderate-income unit of the violating Owner shall be sold at a sale price which is not less than the amount necessary to fully satisfy and pay off any First Purchase Money Mortgage and prior liens and the costs of the enforcement proceedings incurred by the municipality, including attorney's fees. The violating Owner shall have the right to possession terminated as well as the title conveyed pursuant to the Sheriff's sale.
- (d) The proceeds of the Sheriff's sale shall first be applied to satisfy the First Purchase Money Mortgage lien and any prior liens upon the low- and moderate-income unit. The excess, if any, shall be applied to reimburse the municipality for any and all costs and

expenses incurred in connection with either the court action resulting in the judgment of violation or the Sheriff's sale. In the event that the proceeds from the Sheriff's sale are insufficient to reimburse the municipality in full as aforesaid, the violating Owner shall be personally responsible for and to the extent of such deficiency, in addition to any and all costs incurred by the municipality in connection with collecting such deficiency. In the event that a surplus remains after satisfying all of the above, such surplus, if any, shall be placed in escrow by the municipality for the Owner and shall be held in such escrow for a maximum period of two years or until such earlier time as the Owner shall make a claim with the municipality for such. Failure of the Owner to claim such balance within the two-year period shall automatically result in a forfeiture of such balance to the municipality. Any interest accrued or earned on such balance while being held in escrow shall belong to and shall be paid to the municipality, whether such balance shall be paid to the Owner or forfeited to the municipality.

- (e) Foreclosure by the municipality due to violation of the regulations governing affordable housing units shall not extinguish the restrictions of the regulations governing affordable housing units as the same apply to the low- and moderate-income unit. Title shall be conveyed to the purchaser at the Sheriff's sale, subject to the restrictions and provisions of the regulations governing the affordable housing unit. The Owner determined to be in violation of the provisions of this plan and from whom title and possession were taken by means of the Sheriff's sale shall not be entitled to any right of redemption.
- (f) If there are no bidders at the Sheriff's sale, or if insufficient amounts are bid to satisfy the First Purchase Money Mortgage and any prior liens, the municipality may acquire title to the low- and moderate-income unit by satisfying the First Purchase Money Mortgage and any prior liens and crediting the violating owner with an amount equal to the difference between the First Purchase Money Mortgage and any prior liens and costs of the enforcement proceedings, including legal fees and the maximum resale price for which the low- and moderate-income unit could have been sold under the terms of the regulations governing affordable housing units. This excess shall be treated in the same manner as the excess which would have been realized from an actual sale as previously described.
- (g) Failure of the low- and moderate-income unit to be either sold at the Sheriff's sale or acquired by the municipality shall obligate the Owner to accept an offer to purchase from any qualified purchaser which may be referred to the Owner by the municipality, with such offer to purchase being equal to the maximum resale price of the low- and moderate-income unit as permitted by the regulations governing affordable housing units.
- (h) The Owner shall remain fully obligated, responsible and liable for complying with the terms and restrictions of governing affordable housing units until such time as title is conveyed from the Owner.

Section 20. Appeals

Appeals from all decisions of an Administrative Agent designated pursuant to this Ordinance shall be filed in writing with the Executive Director of COAH.

REPEALER

All Ordinances or parts of Ordinances inconsistent herewith are repealed as to such inconsistencies.

SEVERABILITY

If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

EFFECTIVE DATE

This ordinance shall take effect upon passage and publication as provided by law.